

SUMMARY FINANCIAL STATEMENT

Details of our financial performance in 2024.

This financial statement is a summary of information in the audited 2024 Annual Report and Accounts, of Yorkshire Building Society and its controlled entities (the Group), a copy of which is available to members and depositors free of charge at every office of Yorkshire Building Society. The information is also available online at ybs.co.uk/annualreport

Summary Directors' Report

The information contained in the Chair's welcome and Chief Executive's review on pages 2 to 9 addresses the requirements of the Summary Directors' Report.

The directors consider that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Annual Report and Accounts.

Approved by the Board of Directors on 26 February 2025:

Annemarie Durbin - Chair of the Board

Tom Ranger - Chief Financial Officer

Susan Allen - Chief Executive

Group Income Statement	2024 £m	2023 £m
Net interest income	736.5	786.0
Fair value gains and losses	36.2	(5.5)
Net realised gains and losses	0.2	1.6
Other income ¹	(21.1)	4.3
Total income	751.8	786.4
Management expenses ²	(366.6)	(332.7)
Impairment of loans and advances to customers ³	(0.2)	(4.0)
Movement in provisions	(1.3)	0.6
Profit before tax	383.7	450.3
Tax expense	(102.0)	(118.6)
Profit for the year	281.7	331.7

¹ Includes net fee and commission income and other operating income.

² Includes administration expenses, depreciation and amortisation.

³ Loans and advances to customers includes fair value adjustments for hedged risk on those loans.

Group Statement of Financial Position

	2024 £m	2023 £m
Assets		
Liquid assets	14,621.0	12,798.4
Loans and advances to customers	49,250.8	46,200.4
Other assets	1,672.6	1,969.9
Total assets	65,544.4	60,968.7
Liabilities		
Shares	52,045.4	47,056.7
Wholesale funding and other deposits	7,385.0	7,789.3
Subordinated liabilities	1,453.3	1,621.7
Other liabilities	686.0	802.5
Total liabilities	61,569.7	57,270.2
Members' interest and equity	3,974.7	3,698.5
Total members' interest, equity and liabilities	65,544.4	60,968.7

Summary of key financial ratios

	2024 %	2023 %
Gross capital as a percentage of shares and borrowings	9.13	9.70
The gross capital ratio is the relationship between the Group's capital and its liabilities to investors. Capital comprises general reserves (i.e. accumulated profits), hedging and revaluation reserves, subordinated liabilities and subscribed capital.		
Liquid assets as a percentage of shares and borrowings (liquidity ratio)	24.60	23.34
The liquid asset ratio measures those assets available to meet requests by savers to withdraw their money, to fund mortgage advances and to fund general business activities. It expresses cash and assets easily converted into cash as a percentage of the Group's liabilities to investors.		
Profit for the year as a percentage of mean total assets	0.45	0.55
Management expenses as a percentage of mean total assets	0.58	0.56
The management expense ratio measures how cost effective the Group is. It is calculated by comparing the management expenses (administrative expenses opposite) for the year with average total assets.		

Independent auditors' statement on the Summary Financial Statement to the members of Yorkshire Building Society

We have examined the Summary Financial Statement of Yorkshire Building Society (the 'Society') set out on pages 12 to 13, which comprises the Group Income Statement, Group Statement of Financial position as at 31 December 2024 and a summary of key financial ratios.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary Financial Statement, in accordance with the Building Societies Act 1986.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement with the full Annual Accounts, the Annual Business Statement and the Directors' Report and its compliance with the relevant requirements of Section 76 of the Building Societies Act 1986 and the regulations made under it.

We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Chair of the Board's welcome, the Chief Executive's review and the Summary Directors' Remuneration Report.

This statement, including the opinion, has been prepared for and only for the Society's members as a body in accordance with Section 76 of the Building Societies Act 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

Our examination involved agreeing the balances in the Summary Financial Statement to the full Annual Accounts. Our report on the Society's full Annual Accounts describes the basis of our audit opinion on those Annual Accounts, the Annual Business Statement and the Directors' Report.

Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of Yorkshire Building Society for the year ended 31 December 2024 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made under it.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors Leeds.
26 February 2025.





WELCOME

from the Chair of the Board

This is my first year as your Chair and I am delighted to be part of an organisation whose purpose is to provide genuine help for the real-life issues our members face.

Find out more about the directors you can vote on at the AGM on pages 19 to 23.

Providing value for members

In 2024 we celebrated 160 years of helping our members and making a real difference.

The Society was founded in 1864. At the end of our first year, we had £2,143 saved with us and six borrowers. In 2024, our assets reached £65.5 billion, and we provided 41,000 new residential mortgages.

Although a lot has changed, in the ways that matter, we remain the same. We are here to help people have a place to call home, support financial wellbeing and deliver value for our members. In recent years, with the economic environment bringing more challenges for many, our purpose has been even more relevant.

As I get to know the Society, it is clear that this is an organisation with members at its heart. I have visited our contact centres, branches and spoken to members and colleagues.

Our branches and agencies play an important role at the heart of our communities. We want you to contact us in the way that works best for you, whether that's online, on the phone or by speaking to our brilliant colleagues in our branches.

A commitment to our communities

Having a positive impact goes beyond our members, products and services, and into our charity partnerships.

In 2024 I spent time with FareShare. I am very proud of the work they are doing with our support, improving life skills, resilience and employability. In addition, I've learnt about Citizens Advice and I am pleased their advisors are in 40% of our branches.

A focus on strength and sustainability

A key responsibility for the Board is overseeing the delivery of Our Strategy. Our ambitious plans will see us build on our customer-centred culture and provide our services through more channels. We will continue to offer good value savings and mortgages, supporting our loyal members, and people who may struggle to get support elsewhere.

Changes to your Board in 2024

John Heaps, your former Chair, stepped down from the Board in April, followed by Alison Hutchinson, our Vice Chair and Senior Independent Director, in December, both having served over nine years on the Board. Jennelle Tilling also stepped down as a Non-Executive Director at the end of the year.

We thank each of them for their valued contributions to the Society. During the year we also welcomed Peter Bole and Janet Pope as Non-Executive Directors to the Board.

Tom Ranger joined the Board as our Chief Financial Officer, following the retirement of Alasdair Lenman. David Morris, our former Chief Commercial Officer also stepped down from the Board. Thank you again to Alasdair and David for all they have done over the years.

A solid performance and an ambitious future

The Society's performance in 2024 is in line with our plan, strengthens our financial position and will support our growth aspirations.

We will continue to look for new ways to provide value to our members, alongside above-market average savings rates and innovative mortgage and savings products.

I look forward to working with our Board and colleagues, to deliver even greater value for our members for many years to come.

Annemarie Durbin
Chair of the Board
26 February 2025



A REVIEW OF 2024

by Susan Allen,
Chief Executive

For over 160 years, the Society has focused on providing Real Help with Real Life, for generation after generation. This purpose continues to guide our activity today.

AS A BUILDING SOCIETY WE'RE DIFFERENT

All the profits we make are reinvested for the benefit of our members, into our organisation, the products and services we offer, and our communities.

Here to support our members

There are welcome signs that the UK economy is starting to recover. Interest rates have fallen from their peak and inflation is stabilising, but our members still face financial challenges.

Our research shows owning a home is becoming harder for people to achieve¹ and it is estimated that 18% of UK adults have less than £100 in savings².

This all reinforces the importance of the support we provide for our members. We are committed to finding new ways to respond directly to evolving customer needs.

In 2024 we offered several innovative products that really make a difference, helping members find a place to call home and to build their financial wellbeing.

Our £5k Deposit Mortgage helped more than 350 people buy their first home. It has been heartwarming to hear from customers what a difference this has made.

Recognising the importance of saving regularly, we created a £50 Regular Saver account and supported 17,600 people to keep saving, or even start a savings habit. Our research shows that having a regular savings habit, no matter how small, improves life satisfaction³. The benefits of saving are far more than financial.

“We will continue to innovate with unique solutions that provide Real Help with Real Life”

- 1 Based on data collected with Opinium Research – surveying 1,000 UK First Time Buyers (looking to purchase in the next 3 years). Completed 18 July 2024 – 26 July 2024.
- 2 Based on data collected with Opinium Research – surveying 2,000 UK adults nationally representative of the UK population. Completed 3–12 May 2024.
- 3 Data collected from “Understanding the role of savings in promoting positive wellbeing” – a research report from the Personal Finance Research Centre (PFRC), University of Bristol commissioned by the Building Societies Association and sponsored by Yorkshire Building Society, July 2024.



THE FIRST YEAR OF OUR STRATEGY

Our Strategy is all about providing Real Help with Real Life. Helping more members and providing even more support each year.

In 2024, we focused on:

- Simplifying processes.
- Investing in digital capabilities.
- Further enhancing our governance and controls.

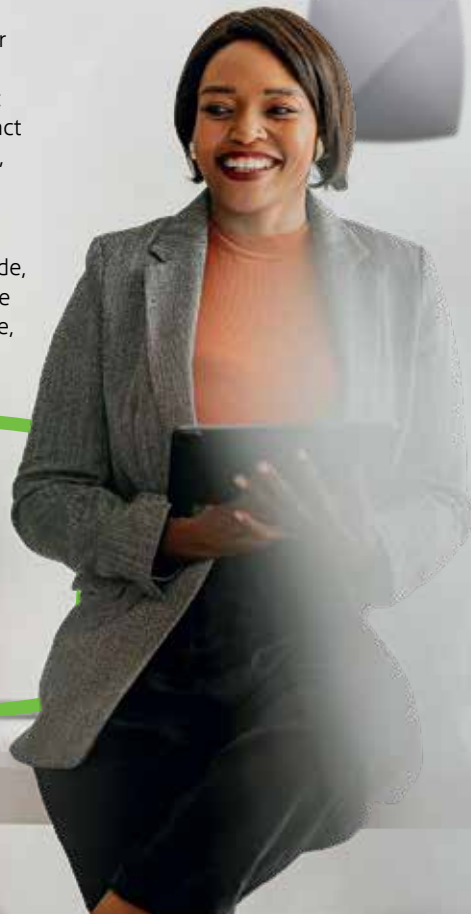
We have made good progress but we know there is still more to do. Investment in these critical areas is key to our long-term success.

The Society's overall Net Promoter Score (NPS), which is a measure of how willing our customers are to recommend us, continues to be strong. Within the feedback, the great customer service in our branches and contact centres is one of the most common themes, alongside continual improvement in our digital services.

I am pleased with the progress we have made, powered by our brilliant people. Our diverse workforce, enabled by our ambitious culture, will ensure the success of our customer-focused strategy.

I am grateful to all our colleagues for their hard work and commitment.

A common root cause of customer complaints are manual processes, which are complex for our colleagues to navigate. A priority in 2025 is to improve our processes and make things easier and more efficient for members and colleagues.



STRONG LINKS TO OUR COMMUNITIES

As a building society, we've been making a difference to the people in our communities for 160 years. It's what we were created to do. Our community programme is focused on supporting people with their financial wellbeing, and there is a lot to be proud of in 2024:

- Our partnership with FareShare has helped 660 people to build skills for the future to support them to find work, with 66 participants already securing paid employment.
- Our Money Minds sessions have delivered financial education to 20,000 people across various age ranges.
- Our award-winning partnership with Citizens Advice provided 5,600 people with free, impartial advice, covering anything from financial to legal issues, to help them find a way forward.



MINIMISING OUR IMPACT

We remain committed to supporting the UK's transition to a low carbon economy by minimising our climate-related impact.

We have taken action to improve our financed and operational emissions reporting and continue to reduce our operational emissions, however we have seen an increase in our overall operational carbon footprint due to an increase in our colleague numbers.

We are working on reducing our impact and a particular highlight for me in 2024 was starting the installation of solar panels at our head office car park. We expect this will reduce our operational carbon emissions by over 100 tonnes a year which will help us reach our target of net zero across our own operations by 2035.

We also recognise the importance of supporting our members to reduce their carbon footprint. In 2024 we were pleased to launch our partnership with Snugg² who offer tools and solutions designed to help homeowners reduce their energy consumption and carbon footprint.



OUR PERFORMANCE REMAINS SOLID

In our 160th year, our solid performance continued.

We achieved strong levels of growth in both mortgages and savings. Mortgage balances increased by £2.9 billion and retail savings balances by £5.2 billion.

We continue to help people find a place to call home and are pleased to have increased our gross and net lending. Successful growth in our savings business has supported this mortgage growth.

The stable, and more recently falling, interest rate environment led to an anticipated reduction in net interest margin to 1.16% (2023: 1.31%).

We continue to help people find a place to call home

On an underlying basis operating costs have increased by 10.2% compared to last year. This reflects increased investment in our change programme, the impact of inflationary pressures and the costs associated with our growing operational scale. We also continue to invest in our branch network for the benefit of our members, and are committed to ensuring our colleagues are fairly rewarded.

Mortgage balances increased by
£2.9BN

Retail savings balances increased by
£5.2BN

STRENGTHENING OUR RESERVES AND SUPPORTING OUR GROWTH

As we deliver Our Strategy, it is important that we invest in the capabilities we will need, but also maintain tight control over our costs to enable continued investment in transformation.

Our profits help further strengthen our reserves and support our growth ambitions. Our strong capital and liquidity position allows us to continue investing to make a real difference for our members. Core operating profit for 2024 was £345.7 million, a decrease of £104.2 million on the previous year, and statutory profit before tax was £383.7 million (2023: £450.3 million).



DELIVERING FOR OUR MEMBERS, TOGETHER

In 2024, I welcomed new colleagues to my executive team.

I am confident the combined skills and experience of the whole team will benefit the Society greatly. We are united behind Our Strategy and committed to our enduring purpose of providing Real Help with Real Life.

Everything we achieved in 2024, combined with our ambitious plans, positions us well to

transform the Society to deliver even more value for our members for generations to come.

Thank you for your continued support.

**Susan Allen, OBE
Chief Executive**

26 February 2025

