

# MEMBERS' UPDATE 2025

THE  
**FAMILY**  
BUILDING  
SOCIETY

*The Society with  
the human touch*

Incorporating Notice of AGM, voting information  
and Summary Financial Statement



# The first choice



OUR AIM IS TO BE THE FIRST CHOICE FOR FAMILIES' MORTGAGES AND SAVINGS. WE BELIEVE THAT FAMILIES WHO WORK TOGETHER ACROSS GENERATIONS, DESERVE SAVINGS AND MORTGAGE CHOICES THAT ARE BACKED BY EXCELLENT PERSONAL SERVICE AND INNOVATIVE PRODUCTS.

THAT'S WHY WE'RE PARTICULARLY PLEASED THAT SOME OF THE UK'S LEADING PUBLICATIONS AND WEBSITES HAVE RECOGNISED OUR EFFORTS THROUGHOUT 2025.



#### WINNER: THE MORTGAGE AWARDS 2025

By the vote of an independent panel of judges, we were selected as the winner in the **Building Society of the Year** and **New Build Mortgage Lender of the Year** categories.



#### WINNER: WHAT MORTGAGE AWARDS 2025

Nominated and voted for by the public, we were selected as the winner for the **Best Remortgage Lender** and **Best Guarantor / Family Support Mortgage Lender** categories.



#### WINNER: THE FINANCIAL REPORTER AWARDS 2025

Voted for by the broker community, we were selected the winner for the **Later Life Lender of the Year** category.



#### WINNER: THE PERSONAL FINANCE AWARDS 2025

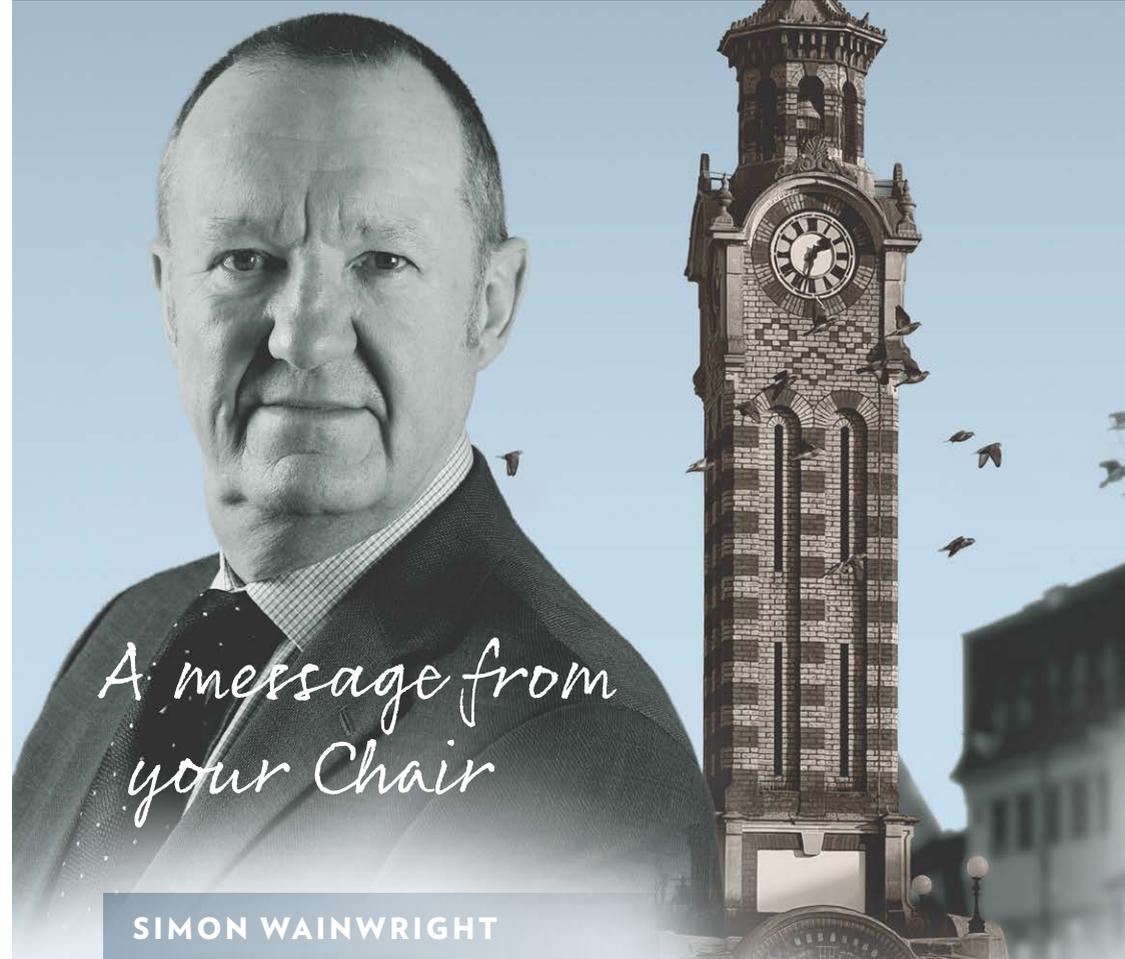
We were selected as the winner in the **Best First Time Buyer Mortgage Provider** category, again as voted for by the public.



#### OTHER ACHIEVEMENTS: SMART MONEY PEOPLE

We work with Smart Money People, the UK's leading independent financial services review website, to help us find out what we're doing well and what we could do better. Customer feedback is vital to us, to improve our service and the way we communicate with you. In acknowledgment of our excellent customer service, we received both **Consumer Satisfaction Gold** and **Consumer Guardian** awards.

THIS YEAR'S ANNUAL GENERAL MEETING (AGM) WILL BE HELD AT **2PM ON WEDNESDAY 29 APRIL 2026** AT THE SOCIETY'S HEAD OFFICE, EBBISHAM HOUSE, 30 CHURCH STREET, EPSOM, KT17 4NL.



SIMON WAINWRIGHT

2025 was a good year for depositors, despite bank base rate falling four times across the year, by 1% in total. Deposit rates available remained strong; competitive rates stayed above inflation and we are always conscious that depositors represent most of our Members. Against this background your Society performed pretty well financially in 2025 at the underlying level, despite funding costs impacting margin. The loan portfolio grew again, and loan losses remain negligible. At the Group level, we made a small but expected loss.

We continue to invest in the future with our Digital Transformation Programme, to further improve the Society's customer service and experience, making us easier to do business with and even more resilient and secure, whilst retaining our traditional values. Our new online deposit system went live in the Spring, and although many of us don't like change, most customers tell us that it is an improvement. Our aim remains to treat each of our Members as an individual, with real people answering the phone and underwriting each mortgage case manually, as we serve well those people that the bigger providers and their automated models and responses often do not.

We have also been investing in SmartMoneyPeople, the UK's most comprehensive financial services review site, with over 2.7 million reviews to help customers make smart buying decisions and provide insight to those companies about their products and service. This is currently loss making but we are optimistic that it will create value in future for Members. While conscious of the cost of the ongoing investment and the risk in any such venture, it critically gives us some potential diversification away from net interest margin and the property market.

While we expect 2026 to continue to be tricky to negotiate, given the geopolitical and economic backdrop, your Society moves forward in a strong position.

The formal notice of the meeting is on page 7 of this booklet and further information about the resolutions to be considered at the AGM can be found on page 8. All the information you need to vote on the resolutions is included in this booklet and in the personalised Appointment of a Proxy and Voting Form which accompanies it.

You can vote online or by post. As online voting costs us less, we will again donate 25p

to the Royal Marsden Cancer Charity for each Member who votes online.

## DIRECTORS

In accordance with the Corporate Governance Code that recommends that all Board Directors seek re-election each year, you will see that seven of the Board members are seeking re-election this year – Mark Bogard, Andrew Barnard, John Cole, Peter Navin, Susan Sharrock Yates, Robin Churchouse, and myself. Louise Colley, having been appointed in February 2025, will be seeking election. Patrick Muir will retire at the Annual General Meeting.

## BUSINESS REVIEW

We would not usually want to report a loss. But this was expected; we understand the particular current circumstances that lead to it, a number of which are within our control, and are positioning the Society even better for the future.

Group total assets increased by 11% to £2,936 million (2024: increased by 7% to £2,651 million). The statutory loss before tax for the year was £0.4 million (2024: £7.5 million profit) and underlying profit before tax was £2.4 million (2024: £6.1 million) for the Group; £6.8 million in the Society (2024: £7.3 million). The difference primarily reflects the required accounting for financial instruments which creates volatility in our statutory results due to the short-term valuation of long-term assets and liabilities.

Our capital base has grown slightly to £172.5 million (2024: £171.3 million). We remain strongly capitalised, meaning that we are well placed to withstand economic shocks and surprises and meet our obligations. Indeed, we hold a material excess of capital over that which both the Board and our regulators believe that

we require to operate prudently day to day.

I noted last year the Labour Party manifesto commitment to double the size of the mutual and co-operative sector. Surprisingly, what this actually means remains the subject of debate, but it is a welcome endorsement of the importance of a diverse and competitive financial market and the positive differences that the mutual model brings for Members.

As part of this drive, we saw in December the publication by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA"), our twin regulators, their Mutuals Landscape report. We are seeing two material and important pieces of deregulation. It is always hard for regulators to reduce regulation, so these steps are welcome, and they do not reduce the safety and soundness of firms for consumers. The PRA withdrew the supervisory statement setting out specific expectations on building societies' activities thereby creating a level-playing field with banks. About time. The Society will also be able to take advantage of the PRA's 'Strong and Simple' framework which is introducing a new simpler but resilient prudential regime for small banks and building societies. It will have taken about 11 years for this to come into place post the Brexit vote, which gave the PRA the ability to diverge from the EU regulations. Simplification should be able to happen more quickly.

Our plan is for continued controlled growth over the next few years, supported by further investment in technology and with an eye out for any further potential sources of income or value to further strengthen the resilience of the Society.

We are also conscious that we should aim to achieve a reasonable return on the excess capital that we hold that is not required in the medium term for our day-to-day activities. We have also agreed to make a £10m capital

investment plus management fees and other charges through Matter Real Estate, which develops properties for rent, often for key workers, and hope to see an attractive return on this purposeful investment. The Board will most carefully assess the risk and reward of any investment we look at; meanwhile it remains securely held in UK Government bonds (Gilts and treasury bills) and bank and building society covered bonds backed by mortgage assets which offer a higher yield but good credit risk.

Board succession is a key responsibility of mine as Chair; maintaining the strength of the Board, balancing continuity with the injection of new blood and maintaining a good, complimentary spread of skills.

The Board has been unchanged over the last year which is important as we move towards my retirement after the AGM in 2027. Patrick Muir, our Senior Independent Director and Vice-Chair, who joined the Society with me in March 2015, will retire at the AGM this year. We are hugely grateful for his contribution and his insights over that period. I am pleased to report that he will continue to chair SmartMoneyPeople, providing continuity at an important time in its development. The Board intends to invite John Cole to succeed Patrick as Senior Independent Director, Louise Colley to take over the Chair of the Remuneration Committee and Robin Churchouse to join the Audit Committee. The position of Vice Chair will not be replaced.

Most organisations claim to have a great culture and the right values. But few probably really live those values.

Our people do a terrific job, treating Members as they would wish to be treated themselves, and the compliments we receive continually evidence this.

I would like to take this opportunity to thank them on behalf of Members for the excellent service they provide across the functions of the Society.

The Board is always interested in the feedback that we receive – especially as these days many people seem more ready to complain than compliment. Such compliments are without exception aimed at a particular individual and I wanted to highlight just a few recently received:

*“The staff that dealt with me and my enquiry were superb and explained everything in clear and knowledgeable detail with perfect politeness.”*

CUSTOMER COMMENT

*“One of the best things about your society, is the availability, speed of answering and knowledge of your staff answering the phones. This gives me a great deal of confidence.”*

CUSTOMER COMMENT

*“Very grateful to be a member of a secure and safe building society which operates in a courteous, helpful and friendly manner.”*

CUSTOMER COMMENT

The Board never forgets that it is here to provide oversight and challenge on behalf of current and prospective future Members of the Society.

To saving Members, I can assure you that we will do our best to continue to offer some of the most competitive rates and innovative products in the market. Thank you for saving with us – your ongoing trust in us matters.

To borrowing Members, I hope you are enjoying the home we are helping to finance but if you do find yourself in financial difficulties please make contact at the earliest opportunity. We will make every effort to help you find a way through.

I hope that as many of you as possible will attend the AGM and look forward to meeting you there. The Board welcomes feedback from Members and it is always properly considered.

**Simon Wainwright**  
Chair

## Notice of AGM

NOTICE IS HEREBY GIVEN THAT THE 2026 AGM OF NATIONAL COUNTIES BUILDING SOCIETY WILL BE HELD AT **2PM ON WEDNESDAY 29 APRIL 2026** AT OUR HEAD OFFICE, EBBISHAM HOUSE, 30 CHURCH STREET, EPSOM, SURREY, KT17 4NL.

### ORDINARY RESOLUTIONS

- 1 To receive the **Directors' Report, Annual Accounts, Annual Business Statement and Auditor's Report** for the year ended 31 December 2025.
- 2 To re-appoint **Ernst & Young LLP** as auditor of the Society.
- 3 To approve the **Report on Remuneration**.

### ELECTION AND RE-ELECTION OF DIRECTORS

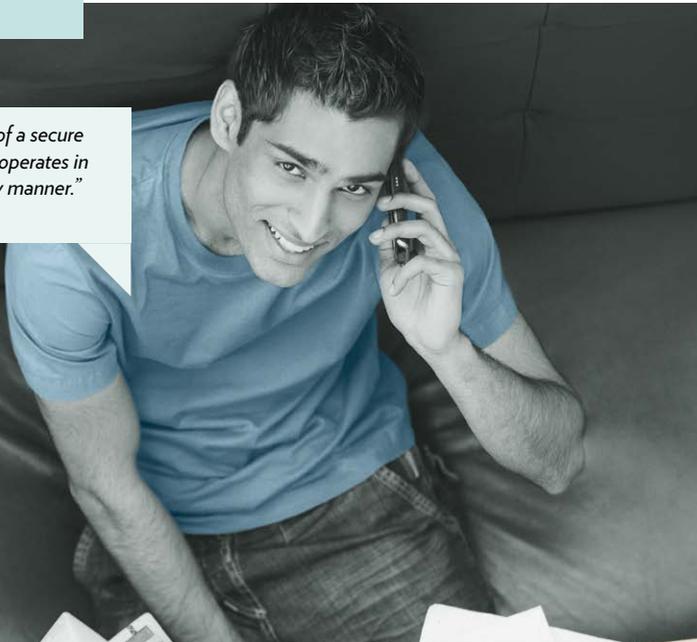
To consider, and if thought fit, elect and re-elect as Directors the following candidates:

- 4 To elect **Louise Colley** as a Director of the Society.
- 5 To re-elect **Robin James Churchouse** as a Director of the Society.
- 6 To re-elect **Peter Edward Navin** as a Director of the Society.
- 7 To re-elect **Susan Sharrock Yates** as a Director of the Society.
- 8 To re-elect **Mark Alexander Bogard** as a Director of the Society.
- 9 To re-elect **Andrew David Barnard** as a Director of the Society.
- 10 To re-elect **Simon Wainwright** as a Director of the Society.
- 11 To re-elect **John Granville Cole** as a Director of the Society.

**By order of the Board:** Kathryn Mendoza, Secretary, National Counties Building Society.  
**Date:** 9 March 2026

### NOTES

1. These Notes form part of the Notice of AGM above.
2. A Member entitled to attend the event and vote at the AGM may appoint one proxy to attend and, on a poll, vote at the meeting instead of him/her. The proxy may be the Chair of the meeting or anyone else who need not be a Member of the Society. The Member may direct the proxy how to vote at the meeting. Your proxy may vote for you at the meeting but only on a poll. Your proxy may not speak at the meeting, except to demand or join in demanding a poll.
3. Voting conditions are contained in the Society's Rule 38 and are summarised on page 2 of the enclosed Voting Form. A copy of the Rules is available upon request to the Society.
4. Admission to the meeting will be permitted on production of the Member's passbook, other evidence of membership issued by the Society or, in the case of appointed proxies, an appropriate form of identification.



## EXPLANATORY NOTES ON RESOLUTIONS AT THE SOCIETY'S AGM

We hope that as many of our Members as possible can attend the Society's AGM, but if you are unable to attend in person you are invited to participate in the business conducted using the enclosed personalised Appointment of a Proxy and Voting Form. Page 2 of that document contains details in relation to voting eligibility and guidance in respect of online and postal voting.

An important element of the constitution of building societies is the reporting to Members by the Auditor and Directors and these are covered by the first item on the meeting agenda. The Auditor's Report sets out what they have examined and the view they have formed regarding the information disclosed by Directors. The Directors' Report, Annual Accounts and Annual Business Statement provide a great deal of information concerning the financial position of the Society and the Group. A summary of the full Report and Accounts, the Summary Financial Statement, forms part of this document. Members wishing to see the full version of the Report and Accounts may do so on request to the Society or via our websites ([ncbs.co.uk](https://ncbs.co.uk) and [familybuildingsociety.co.uk](https://familybuildingsociety.co.uk)) from 1 April 2026 onwards. **Members are invited to vote in respect of the Directors' Report, Annual Accounts and Annual Business Statement, and the Board recommends that you vote "FOR" their formal receipt.**

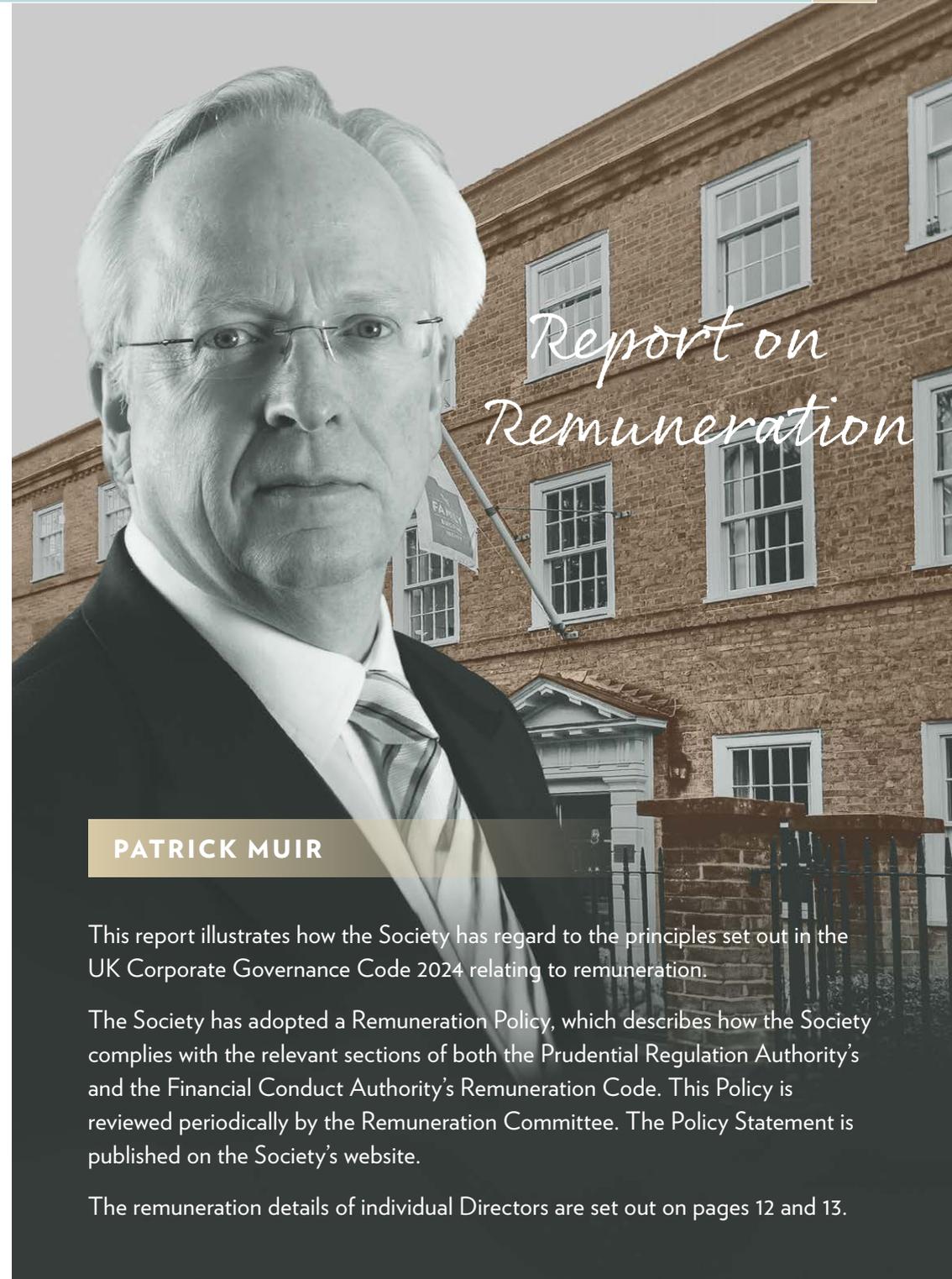
Item 2 on the agenda is a resolution to re-appoint Ernst & Young LLP as auditor of the Society. Ernst & Young LLP were first appointed to the Society's audit in 2025. Independence of the audit is maintained through periodic rotation of the staff and manager as well as the partner responsible.

**A robust and thorough competitive tender and selection process was held prior to Ernst & Young's appointment in 2025 and your Board recommends that you vote "FOR" their re-appointment.**

Item 3 on the agenda is a resolution to approve the Report on Remuneration. The background to this lies in the UK Corporate Governance Code. Although this Code applies to listed companies, the Board believes that the Society should, where relevant, have regard to its principles and provisions. An advisory vote on the Report on Remuneration is part of the Code and the Society has decided to include this on the agenda for its AGM. **The Report follows these explanatory notes and you are invited to vote "FOR" its approval.**

Items 4 to 11 on the agenda cover the re-election of previously elected Directors and the election of the new Non-executive Director appointed in February 2025. Brief personal details of each Director are provided on pages 15 to 17 of this booklet. All of the Directors standing for election and re-election bring different but complementary skills and experience to the Board, ensuring that its overall composition is appropriate for the range of activities undertaken by the Society. **Your Board recommends that you vote "FOR" these Directors of the Society.**

**Should you have any queries about the business to be conducted at the AGM, please do not hesitate to contact the Society's Customer Service Team on 03330 140144.**



**PATRICK MUIR**

This report illustrates how the Society has regard to the principles set out in the UK Corporate Governance Code 2024 relating to remuneration.

The Society has adopted a Remuneration Policy, which describes how the Society complies with the relevant sections of both the Prudential Regulation Authority's and the Financial Conduct Authority's Remuneration Code. This Policy is reviewed periodically by the Remuneration Committee. The Policy Statement is published on the Society's website.

The remuneration details of individual Directors are set out on pages 12 and 13.

## REMUNERATION POLICIES

### CODE PRINCIPLE P:

REMUNERATION POLICIES AND PRACTICES SHOULD BE DESIGNED TO SUPPORT STRATEGY AND PROMOTE LONG TERM SUSTAINABLE SUCCESS. EXECUTIVE REMUNERATION SHOULD BE ALIGNED TO COMPANY PURPOSE AND VALUES, AND BE CLEARLY LINKED TO THE SUCCESSFUL DELIVERY OF THE COMPANY'S LONG-TERM STRATEGY.

### SOCIETY'S APPROACH

The Board has an established Remuneration Committee, which comprises four Non-executive Directors, Patrick Muir, Peter Navin, Simon Wainwright and Louise Colley (appointed April 2025) and is chaired by Patrick Muir. All of the Non-executive Directors are considered to be independent. Patrick Muir has been Chair of the Remuneration Committee since 2016 and is set to retire at the 2026 Annual General Meeting. The Remuneration Committee is responsible for setting the remuneration of the Executive Directors. The Committee also sets the additional payments for the Chair of the Board, the Chairs of the Group Audit, Remuneration and Board Risk Committees and the Senior Independent Director, with Committee members not taking part in discussions concerning their own remuneration. The basic Non-executive Director fee is set by the Executive Directors. Minutes of the Committee's meetings are distributed to all Board members, and the Chair of the Committee reports at the Board meeting following a Committee meeting.

The Remuneration Committee is also responsible for oversight of the remuneration and reward structure for the Society as a whole. The Committee's Terms of Reference are published on the Society's website.

The Board believes that all employees should be fairly rewarded for their efforts. The aim of the Society's Remuneration Policy is therefore to achieve a fair level of financial reward for the

Society's employees whilst ensuring primacy of Members' interests and avoiding incentives to take inappropriate levels of risk.

Against this background the objectives of the Remuneration Policy include the following:

- **To attract and retain employees with the appropriate skills, behaviour and motivation.**
- **To reward employees fairly, paying due regard to the statutory duties of equality and non-discrimination.**
- **To benchmark salaries and benefits against prevailing industry/sector/role norms.**
- **To take account of prevailing economic and employment trends.**
- **To prevent inappropriate risk-taking with the potential to damage the interests of the Society's stakeholders and the viability of the business.**
- **To ensure that remuneration is aligned with the Society's strategy, purpose and values and is linked to successful delivery of that strategy.**
- **To ensure that remuneration supports the practices and behaviours which lead to good outcomes for Members in line with the Consumer Duty.**

In line with the Board's approach, the Society's remuneration policy provides for the reward of Executive Directors through salaries and other benefits. The current overall package includes performance related pay which is linked both to individual performance and to delivery of the Society's strategy, further details of which are set out on the next page.

## PROCEDURES FOR DEVELOPING REMUNERATION POLICY

### CODE PRINCIPLE Q:

A FORMAL AND TRANSPARENT PROCEDURE FOR DEVELOPING POLICY ON EXECUTIVE REMUNERATION AND DETERMINING DIRECTOR AND SENIOR MANAGEMENT REMUNERATION SHOULD BE ESTABLISHED. NO DIRECTOR SHOULD BE INVOLVED IN DECIDING THEIR OWN REMUNERATION OUTCOME.

### SOCIETY'S APPROACH

In order to determine the policy for Executive Director remuneration and remuneration of senior management, the Remuneration Committee undertakes a review of the overall remuneration and incentive packages for the workforce of the Society as a whole. It takes into account salaries and benefits in the sector and the nature of the commitments and responsibilities associated with individual roles. Basic salaries payable to Executive Directors are reviewed periodically with reference to jobs carrying similar responsibilities in comparable financial organisations, market conditions generally and local employment competition in view of the Society's geographical position. There was no external review of Executive pay during 2025. The basic salaries of the Executives were increased by 2%, which was lower than the 3% increase awarded to other employees.

A Medium Term Incentive Plan (MTIP) scheme was put in place in 2022 and ended in 2024. The Remuneration Committee decided to extend the scheme into 2025 and complete a comprehensive benchmarking review of the MTIP scheme in time for the 2026 scheme. The existing scheme is based on Key Performance Indicators (KPIs) which are aligned to the achievement of the corporate plan. A sum is accrued each year based on performance in that year. In respect of 2022-2024, 50% of the amount accrued by each Executive Director was paid in March 2025 and the balance will be paid in March 2026. The amounts accrued by

each Director for the year ending 31 December 2025 will be paid in two equal amounts in March 2026 and March 2027.

Executive Directors are eligible to receive other taxable benefits including a car allowance and healthcare provision for themselves and their immediate family, and standard professional body subscriptions. Travel and subsistence expenses are also met when the Executives undertake travel for business purposes.

In keeping with current recommended practice, the standard terms for any new Executive Director appointment include a contractual notice period of no more than 6 months by the Society and 6 months by the Executive Director. Andrew Barnard has a contract on this basis issued in 2018. Mark Bogard has a contract issued in 2012 on the basis previously adopted by the Society which requires 12 months' notice to be given by the Society and 6 months to be given by the Executive Director.

In the light of the performance of the Society's staff during 2025, the Remuneration Committee has decided that a variable pay award should be awarded to the Executive Directors and nearly all staff. Variable pay awards are made on the basis of individual performance and payable in cash. Details of the awards to Executive Directors are set out on page 12.

No Executive Director has any involvement in determining their own pay.

## NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive Directors do not receive any benefits other than their fees and travelling expenses. The level of fees payable to Non-executive Directors is assessed using benchmarks from a group of comparable financial organisations. In recognition of the increased responsibility associated with the roles, additional fees are paid to the Chair of the Board, the Chairs of the Board

sub-committees and the Senior Independent Director. No benchmarking exercise was undertaken in 2025. The fees for the Non-executive Directors and the fees paid for chairing specific committees remained unchanged in 2025.

No Non-executive Director has any involvement in determining their own pay.

## DIRECTORS' EMOLUMENTS

Emoluments of the Directors of the Society totalling £1,173,000 (2024: £1,181,000) are detailed as follows:

a) Executive Directors	2025					
	Salary £'000	Performance bonus £'000	Medium-term incentive plan £'000	Benefits £'000	Pension £'000	Total £'000
Mark Bogard	317	37	12	25	71	462
Andrew Barnard	229	27	7	14	52	329
	546	64	19	39	123	791

A three year medium term incentive plan payment was agreed by the Remuneration Committee for the three years ending 31 December 2024. 50% of the amounts accrued by each Director was paid in March 2025 and the remainder will be paid in March 2026.

A one year medium term incentive plan payment was agreed by the Remuneration Committee for the year ending 31 December

2025 and the amounts accrued by each Director will be paid in two equal amounts in March 2026 and March 2027.

Mark Bogard is no longer an active member of the Group's Pension Scheme and Andrew Barnard has never been a member of the Scheme. Their pension emoluments in 2025 represent monthly cash payments in lieu of contributions to the Scheme.

	2024					
	Salary £'000	Performance bonus £'000	Medium-term incentive plan £'000	Benefits £'000	Pension £'000	Total £'000
Mark Bogard	308	63	47	24	69	511
Andrew Barnard	222	45	27	15	50	359
	530	108	74	39	119	870

### b) Non-executive Directors

	2025 Fee £'000
Simon Wainwright	73
Patrick Muir	57
John Cole	56
Peter Navin	56
Susan Sharrock Yates	49
Robin Churchouse	49
Louise Colley	42
	382

	2024 Fee £'000
Simon Wainwright	67
Patrick Muir	56
John Cole	55
Peter Navin	53
Susan Sharrock Yates	48
Robin Churchouse	8
Rodger Hughes	24
	311

During the year, a company for which Patrick Muir is a Director, was paid £98,700 (2024: £68,400) for his services as a Director to Smart Money People Limited, a subsidiary company.

In addition to the fees shown above, during 2025 the Non-executive Directors claimed, and were reimbursed, a total of £1,402 (2024: £nil) for travel and subsistence expenses.

### Directors' loans and related party transactions

A register is maintained at the Head Office of the Society, in accordance with the requirements of Section 68 of the Building Societies Act 1986, which shows details of all loans, transactions and arrangements with Directors and connected persons. The register will be available for inspection at the Society's Head Office during the period of fifteen days up to and including the date of the Annual General Meeting.

There were no outstanding loans with Directors at 31 December 2025 or 31 December 2024.





## INDEPENDENT JUDGEMENT

### CODE PRINCIPLE R:

DIRECTORS SHOULD EXERCISE INDEPENDENT JUDGEMENT AND DISCRETION WHEN AUTHORISING REMUNERATION OUTCOMES, TAKING ACCOUNT OF COMPANY AND INDIVIDUAL PERFORMANCE, AND WIDER CIRCUMSTANCES.

### SOCIETY'S APPROACH

All members of the Remuneration Committee are independent Non-executive Directors. They rely on both performance assessment and independently verifiable information about the Society's performance and market information to make determinations of remuneration policy and outcomes. The Committee may consult external advisers on pay and rewards. An external benchmarking exercise is being completed for the MTIP scheme, with the review continuing into 2026.

The operation of remuneration policy within the work force as a whole is based upon criteria set out by the Board or the Remuneration Committee. Annual pay reviews for individuals within the work force are based on market data and are determined by the Executive Directors. Performance related pay (variable pay) is awarded from a pool allocated by the Remuneration

Committee based upon the performance of the Society and allocated to individual employees in accordance with a defined scheme. The initial allocations are made by the management of the Society and the operation and application of the scheme is independently reviewed by the Executive Directors. Awards for certain employees are reviewed by the Remuneration Committee.

It is the view of the Committee that Directors' remuneration for the year has been in accordance with the Society's stated Remuneration Policy. It is also the Committee's view that the Society's policy and practice has taken account of the principles of the UK Corporate Governance Code. On behalf of the Committee, I recommend that you endorse this report.

**Patrick Muir**

Chair, Remuneration Committee  
9 March 2026

## Directors seeking election and re-election

IN ACCORDANCE WITH BEST PRACTICE ON CORPORATE GOVERNANCE, THE DIRECTORS BELOW ARE STANDING FOR ELECTION AND RE-ELECTION AT THE AGM



### ROBIN JAMES CHURCHOUSE BA, ACA

Robin joined the Society in November 2024. He is a financial services professional with over 35 years' experience as a regulator, strategic and corporate finance advisor, senior executive with roles in finance, risk and operations, and Non-executive Director.

After studying law at Cambridge, he qualified as a chartered accountant with Price Waterhouse. After a spell as a regulator at the Building Societies Commission, Robin was a strategy consultant at KPMG before over a decade at Yorkshire Building Society, in a variety of senior roles, including CFO, CRO and COO. Since then he has been Non-executive Director at companies including a start-up SME lender, a specialist mortgage lender and plc car dealership, variously as Senior Independent Director and Chair of risk, audit and remuneration committees.



### PETER EDWARD NAVIN BA, FCBI

Peter was appointed to the board as a Non-executive Director in November 2022. Early in his career he was an international economist with ICI, before moving into banking where he acquired 30 years' experience. This included senior leadership positions in Operations, Product Marketing, Corporate and Retail banking.

Peter led large customer-facing teams under the Lloyds, Cheltenham and Gloucester and Bank of Scotland brands and was Chief Executive of Lloyds TSB Scotland plc for four years from 2010 before becoming Distribution director for TSB when it separated from Lloyds Banking Group. Peter is a Fellow of the Chartered Institute of Bankers and also works as an executive coach, having qualified at Henley Business School.



### SUSAN SHARROCK YATES BA, FCA, FCT

Susan joined the Board as a Non-executive Director in August 2020. Susan is a Chartered Accountant and a Member of the Association of Corporate Treasurers. She qualified with Ernst & Young before working in investment banking, gaining valuable markets and trading experience. She then moved into corporate treasury, where her first position was as treasurer for CIBC Mortgages. Susan subsequently held senior corporate treasury positions in a range of companies, including Diageo and Rentokil, and until the end of 2019 was Group Treasurer for Aviva.

Recent non-executive roles include Ariel Re Managing Agency Ltd, as an Independent non-executive Director and Chair of the Audit Committee, and the Friends Life Pension scheme, as a Trustee and member of the Investment Committee.



### MARK ALEXANDER BOGARD MA

Mark joined the Board in 2012 as Chief Executive. He has over 30 years' experience in financial services focused on helping people make the most of their money.

He ran Barclays' retail funds business and then built up Moneyextra, an aggregator website focused on mortgages and savings that was sold to Bristol & West plc.

Upon its acquisition the business was merged with Chase de Vere and Willis National, two leading IFAs, and Mark was appointed as Managing Director. From 2004 until 2012, Mark was UK Chief Executive of IFG Group plc, responsible for James Hay, the leading SIPP provider, and Saunderson House, an hourly rate financial advisory business. He has an MA from Cambridge University and completed his articles with Slaughter and May before joining Schroders to work in corporate finance.

In January 2013 he was appointed as a Non-executive Director of Alexander Hall, the leading mortgage broker, whose board meetings he now chairs, which helps him to understand the perspective of the Society's principal channel for distributing mortgages. In May 2021 he was elected Chairman of the Building Societies Association, the body representing all 43 building societies, as well as six credit unions, a position that he held until May 2023. Mark is also a Director of Good Effect Ltd and a Director of Eleven Eton Avenue Limited.



### ANDREW DAVID BARNARD BA, ACMA, CGMA

Andrew was appointed Finance Director in April 2018 and Director of Counties Home Loan Management Ltd, a wholly owned subsidiary of National Counties Building Society in November 2018.

He is an accountant with over 30 years' commercial experience, the last 18 years having been spent in senior finance roles in financial services. In his previous role he was Group Financial Planning & Analysis Director for Lloyds Banking Group. From 2008 to 2015 he undertook a number of roles for RBS including Finance Director of Lombard North Central plc, Finance Director of RBS Invoice Finance, Non-executive Director of Motability Operations Group plc and Head of FP & A for RBS's Commercial & Private Banking Division. Prior to 2008 he spent 11 years working for Unilever plc, in the UK & Europe, and four years based in Reigate with Pfizer, the world's largest pharmaceutical company.



### LOUISE COLLEY MA

Louise joined the Board as a Non-executive Director in February 2025. Currently, she serves as the Director of Retail Protection at Zurich, managing the entire business.

Since 2021, she has also been a Board member of Zurich Intermediary Group Ltd. With over 38 years of professional experience, Louise has held executive roles at Aviva (including Commercial Union, CGU, and Norwich Union) and Zurich, across various disciplines. Her contributions have earned her numerous industry accolades, including recognition as one of the top 25 most influential business leaders in 25 years of Protection. Louise holds a master's degree in marketing and is an Associate Certified Coach with the International Coaching Federation.



### SIMON WAINWRIGHT BSC, MBA, FCBI & CHARTERED DIRECTOR IoD

Simon was appointed to the Board as a Non-executive Director in March 2015. Simon is currently Executive Vice President at Reinsurance Group of America.

He has 40 years' experience with Nationwide Building Society, Lloyds Banking Group and latterly HSBC, where he held roles including: CEO, HSBC Insurance; CEO HSBC Bank Ireland; and COO Commercial and Corporate Banking.

Simon holds a BSc degree in banking practice and management from the Institute of Financial Services, School of Finance (formerly the Chartered Institute of Banking), a Diploma in Management Studies from Oxford Business School, an MBA from Henley Business School, is a Fellow of the Chartered Institute of Bankers (FCIB) and is a Chartered Director, Institute of Directors.



### JOHN GRANVILLE COLE FCA

John joined the Board in October 2019 as a Non-executive Director and Chair of the Audit Committee. John is a qualified accountant and was a partner at Ernst and Young for 30 years.

A large part of his career was spent focused on the financial services sector. Among other things, he was previously a member of its governance committees at both a global and European level, was a member of the audit committee, had responsibility for the partnership's controls surrounding financial crime and data protection, and managed aspects of quality and risk. Other directorships include being Non-executive Director of London South Bank University.



# Summary Financial Statement

FOR THE YEAR ENDED  
31 DECEMBER 2025

THE GROUP'S PROGRESS IS MONITORED BY THE BOARD USING A SET OF STRATEGIC KEY PERFORMANCE INDICATORS (KPIs) WHICH ARE SHOWN ON THE RIGHT. GIVEN THE DIFFICULT BACKGROUND ENVIRONMENT, THE BOARD IS SATISFIED WITH THE OUTCOME OF THE KPIs FOR 2025.

## Key Performance Indicators

1. GROUP (LOSS)/PROFIT		2. NET INTEREST	
Group (loss)/profit after tax to average assets ratio		Society net interest margin	
2025	2024	2025	2024
<b>(0.00%)</b>	0.18%	<b>1.35%</b>	1.49%
2024: £7.5M		2024: £6.1M	

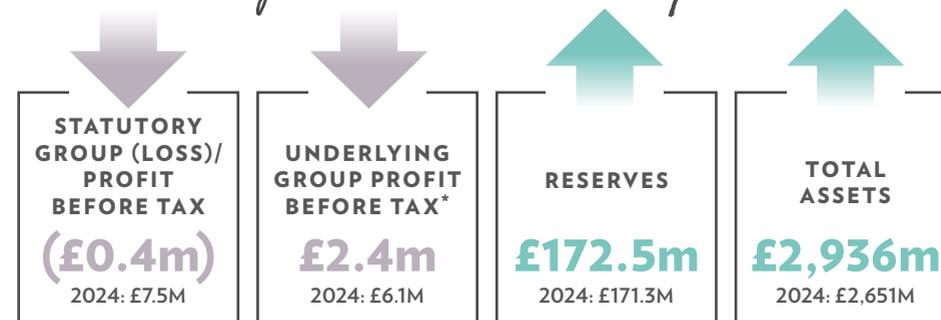
3. COST / INCOME		4. COMMON EQUITY	
Society cost/income ratio		Common Equity Tier 1 capital ratio	
2025	2024	2025	2024
<b>81.6%</b>	80.6%	<b>17.8%</b>	19.1%

5. LOAN MOVEMENT		6. MORTGAGE ARREARS	
Movement in Group loan balances <sup>†</sup>		Group residential mortgages in arrears by more than three months as a percentage of all Group residential mortgage accounts	
2025	2024	2025	2024
<b>7.7%</b>	+8.2%	<b>0.37%</b>	0.53%

7. COMPLAINTS		8. SERVICE	
Number of complaints upheld in the year as a percentage of average number of Society Members		Percentage of Members reporting good or better service in the annual customer survey	
2025	2024	2025	2024
<b>0.19%</b>	0.18%	<b>88.8%</b>	92.9%

<sup>†</sup>Excludes fair value adjustments

## Summary Directors' Report



\*See page 21 for the definition of underlying group profit before tax

2025 was another interesting year throwing up some new challenges for your Society. In the UK the government's tough start has continued with a stagnant economy, inflation still above target and slow interest rate reductions totalling 1% but accompanied by significant quantitative tightening which has kept deposit rates high – great for savers, the majority of our Members. But it inevitably impacts our net interest margin – the difference between the rate we can charge for mortgages and the rate we pay savers from that mortgage interest. The war in Ukraine continues; there has been ongoing turmoil in the Middle East; the aggressive new administration in the US' first year has added materially to a miasma of international uncertainty.

For your Society, it was a satisfactory year, with further good mortgage growth and reasonable profitability at the underlying level. We maintain a strong capital base.

## ECONOMIC ENVIRONMENT

Last year in this report we noted that the economy faced many uncertainties. We highlighted the continuing war in Ukraine, the prospect of trade tariffs from the new US President and the potential (in)ability of the UK government to fund its spending plans via higher taxation without stalling the economy. We noted that although the predicted path was for rates to fall it was also possible rates

may have to rise to counter the inflationary impacts of some or all of these factors. In the event we ended up with four rate cuts down to 3.75% although inflation remains persistently above the Bank of England's target, ranging between 2.6% and 3.8% in 2025. It is likely we are now near the bottom of the interest rate curve for this cycle.

The headline external environment remains extremely volatile. Liberation Day tariffs were imposed during 2025, although at far lower levels than initially trailed. At the time of writing the US President appears to have climbed down from a position of imposing tariffs to force the annexation of Greenland. There is no predicting what may happen next.

Underneath all of this the economy has actually remained resilient. Retail sales increased 2.5% for example and there is a pattern of pessimistic expectations in official data being revised upwards as new data becomes available.

## FINANCIAL PERFORMANCE

2025 was a good year for savers. While base rate cuts started to push mortgage rates lower savings rates fell much more slowly. Our margin was reduced. The Group's statutory result before tax for the year ended 31 December 2025 was a loss of £0.4 million compared with a profit of £7.5 million in 2024. The reduction in profitability of £7.9 million was driven in a large part by a reduction in net margin as the economic cycle turned from the increases in Bank base rates in 2024 to the start of rate cutting. Group Net Interest Income dropped by £3.9 million from £38.6 million in 2024 to £34.7 million in 2025. At the same time the continued investment in the Society's Digital Transformation Programme, selective investment in headcount to support the growing balance sheet, wage inflation and the continued investment in the growth of the Smart Money People business increased Group administrative expenses by £0.5 million. These were partly offset by an increase in other income of £0.6 million and a £4.3 million negative swing in net gains and

We remain vigilant for signs that the increased strain in household spending may show itself in the form of increased forbearance or arrears for our mortgage customers. There was little sign of this in 2025 and at the time of writing there remains little sign that our book is exposed in this regard. Our policy of lending at low Loan to Values and underwriting each case on its merits stands us in good stead.

We continue to think there is sensible lending to be done at sensible margins, and in order to succeed, the Society will continue to offer very high levels of service and innovative products to our Members. We think this is the best protection for our Members against whatever a changing economic environment may bring.

losses from financial instruments versus 2024.

Group underlying profit was £2.4 million compared to £6.1 million in 2024. In the Society, there was a profit before tax of £4.2 million compared with a profit before tax in 2024 of £8.4 million.

STATUTORY (LOSS)/PROFIT BEFORE TAX	GROUP		
	2025 £m	2024 £m	Change £m
Net interest income	34.7	38.6	(3.9)
Other income	2.1	1.5	0.6
Net (losses)/gains from financial instruments	(2.8)	1.5	(4.3)
Administrative expenses (including pension scheme finance charge)	(33.1)	(32.6)	(0.5)
Depreciation and amortisation of software and goodwill	(1.2)	(1.3)	0.1
Impairment losses and provisions	(0.1)	(0.2)	0.1
<b>(Loss)/profit before tax</b>	<b>(0.4)</b>	<b>7.5</b>	<b>(7.9)</b>

The statutory figures included in the Annual Accounts are prepared under FRS 102 and include the impact of fair valuing derivatives which include the No Negative Equity Guarantee (NNEG) liability and ineffectiveness when accounting for the hedges the Society takes out to economically protect itself from movements in interest and other market rates. These create profit volatility, for example from movements in market interest rates and assumptions. The Board take the view that it would be misleading to include these items in the underlying profit calculation as they are affected by dynamics outside the control of the Society and are largely related to a portfolio of assets (Lifetime Mortgages) that are a closed book in run down. These items do

not therefore reflect on the underlying trading of the Society or Group.

The Board believes it is appropriate to remove the effect of these adjustments when looking at the underlying performance of the Society and Group. The Group's underlying profit can therefore be summarised as follows:

UNDERLYING PROFIT BEFORE TAX	GROUP		
	2025 £m	2024 £m	Change £m
(Loss)/profit before tax per statutory accounts	(0.4)	7.5	(7.9)
Add back net losses/(gains) from financial instruments	2.8	(1.4)	4.2
<b>Underlying profit before tax</b>	<b>2.4</b>	<b>6.1</b>	<b>(3.7)</b>

## LIFETIME MORTGAGES AND NO NEGATIVE EQUITY GUARANTEE

Before 2011, the Society originated and its subsidiary CHLM acquired a portfolio of Lifetime Mortgages (LMs). The Group has not acquired or written any new LMs since then.

A Lifetime Mortgage is one where a loan is taken out against the value of a property but where the interest charged is not paid during the life of the loan. Instead, the interest is added to the loan balance and, at the end of the term (which typically comes on the move into residential care of the borrower or their death), the loan balance (including the rolled-up interest) is deducted from the sale proceeds of the house.

To protect the borrower from the possibility that the loan balance is greater than the property value at the end of the loan the LMs included what is referred to as a No

Negative Equity Guarantee (NNEG). This was a promise that the borrower wouldn't be charged for any excess of the loan value over the property value. The inclusion of a NNEG promise in a LM is a normal feature of a LM written to the Safe Home Income Plan standards of the Council of Mortgage Lenders.

This promise has a value and we need to show the users of the accounts what that promise is worth.

IAS39 requires us to use Fair Value Accounting to do this. The standard requires us to value the NNEG by reference to what an independent buyer and seller would value the NNEG at.

Since the Group originally acquired the LMs these mortgages, now sometimes referred to as Equity Release Mortgages (ERMs), are mainly

written by insurance companies and residual books of LMs are also held by a number of Building Societies. Therefore, we try to understand how these other market participants would price our NNEG when we work out what it is worth. However, there is no observable market in the sale of NNEG liabilities so we need to model and understand the component parts that make up a NNEG valuation.

Two key determinants of the value of the NNEG are assumed House Price Inflation (HPI) and HPI Volatility. Volatility refers to the probability that any one house price will be above or below the average HPI assumption at any one moment in time. A higher volatility assumption means that there is a greater risk that an individual house price will be higher or lower than the average assumed. This risk has a cost so that a higher volatility assumption leads to a higher value for the NNEG.

In making a judgement on the volatility assumption, the Directors take note of the paper published by the Actuarial Research Centre of the Institute of Actuaries ('UK Equity Release Mortgages: a review of the No Negative Equity Guarantee') on 19 February 2019 that identified a probable value for volatility in the range of 3-6% and volatility in a stress scenario in the range of 10-13%. In each year, the Directors evaluate data for the UK housing market that continues to bear out this perspective. In addition, other Building Societies have published their own assumptions in their respective Reports & Accounts. These have shown that HPI volatility has been valued in the range of 8-10% and therefore, the Directors concluded that a HPI volatility assumption for the Group of 10% would be appropriate. The Directors also note that the allowance made within the calculations for Dilapidations (the cost of making good

a property before it can be sold at a fair market value) is substantial at 1% and is also supported by the work that the Group undertakes to maintain contact with its borrowers and assess the condition of properties during the life of a LM loan.

The Directors also consider the underlying rate of assumed HPI that should be taken into account over the remaining life of the LMs. It is important to note that this assumption relates to HPI over the very long term. The long term prospects for GDP growth, CPI inflation and the structural housing shortage that persists in the UK are therefore the main factors driving the HPI assumption. Given these factors, the Directors have concluded that a long term HPI assumption of 3.75% would be the most appropriate to use for the Society's lifetime mortgage book. During 2025 the Directors have seen no evidence that the structural drivers of HPI have changed. They don't therefore expect that any short term volatility from the current economic conditions will impact the long term assumption at this point.

During this year we refreshed our analysis, and as a result of this review, the assumptions relating to the NNEG liability have remained largely unchanged at the 2025 year end.

Although the main NNEG liability assumptions remain largely unchanged in 2025, the NNEG liability has increased by £0.3 million. This increase is due to the following reasons: £0.2 million increase from adopting the latest actuarial assumptions and £0.7 million increase from the impact of prepayment and compounding, discount curve changes and HPI. These impacts were offset by £0.6 million relating to a decrease in the number of loans outstanding due to actual deaths and redemptions.

The value of the NNEG is £3.1 million in the Society (2024: £2.8 million) and £6.0 million in the Group (2024: £5.7 million). The Group charge for 2025 was £0.3 million (2024:

credit of £0.9 million) which all arises from the increase in the NNEG value. There were £30,000 of crystallised NNEG losses from redemptions and repossession sales in 2025.

## ASSETS AND LIABILITIES

The Group total assets at 31 December 2025 were £2,936 million (2024: £2,651 million).

Total loans and advances to customers at the year end were £2,323 million (2024: £2,137 million). At 31 December 2025, a total provision of £0.8 million, comprising £0.3 million individual impairment and £0.5 million collective (2024: £0.7 million, comprising £0.2 million individual impairment and £0.5 million collective), was made in the Annual Accounts for possible credit losses.

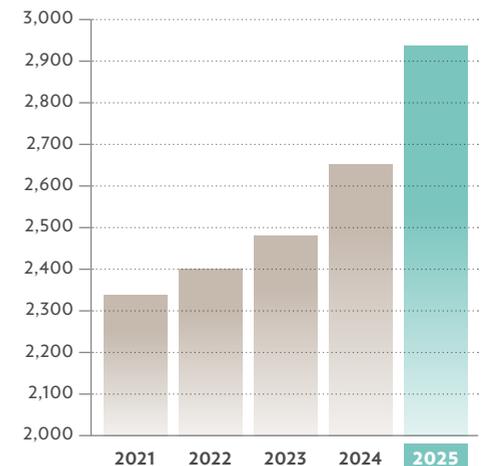
Liquid assets amounted to £555 million at the year-end (2024: £441 million), representing 20% (2024: 18%) of total shares and borrowings and 19% (2024: 17%) of total assets of the Group.

Savers' share balances totalled £2,355 million at 31 December 2025 (2024: £2,003 million) and deposits by credit institutions and other customers and debt securities in issue amounted to £357 million at the year-end (2024: £414 million), representing 13% (2024: 17%), of total shares and borrowings.



The Group's capital position is represented by general reserves and the Available for Sale (AFS) reserve. Group gross capital at 31 December 2025 amounted to £172.5 million, an increase from 2024's £171.3 million. Gross capital represented 5.9% (2024: 6.5%) of Group total assets at the year-end, or 6.4% (2024: 7.1%) of total shares and borrowings. Group free capital (i.e. capital plus collective impairment provisions, less tangible and intangible fixed assets) amounted to £165 million at the end of the year (2024: £163 million), equivalent to 6.1% (2024: 6.8%) of total shares and borrowings. A key indicator of the Group's capital strength is its Common Equity Tier 1 capital ratio. At 31 December 2025 this ratio stood at 17.8%, (2024: 19.1%).

GROUP TOTAL ASSETS (£MILLION)



## RETAIL SAVINGS

First and foremost, we want to, and must be, a safe and attractive home for your savings. In 2025, we took in £874 million of new savings balances; this is up more than 50% on the £561 million in 2024 – and customers withdrew £684 million. A huge effort by our employees sits behind this gross flow of over £1.5 billion, especially as they also helped many customers transfer onto our new savings system. With added interest, our total savings balances increased by over £350 million.

The Society has maintained its tradition for paying some of the highest rates in the market when we are looking to raise funds. Whilst we want to do the best that we can for depositors, we are driven by rates in the market. If we are even a little out of kilter with what others are paying, we would receive a significant excess of savings funds in a short period of time, funds

which we simply would not be able to lend out sensibly as mortgages to generate the interest we need to pay depositors their interest.

It is unfortunately not possible for us to pay our Members the market leading rate the whole time and we do not want to compete just on price. Our Windfall Bond product offers savers interest plus the chance of winning cash prizes and, we believe, offers a better chance of winning than Premium Bonds, plus the added benefit of the interest which you do not get with Premium Bonds. Our Market Tracker product tracks the top 20 accounts, so saving you the bother of endlessly changing accounts.

The success of these innovative accounts is a testament to the Society's ability to offer something different and relevant.

## MORTGAGES

We received mortgage applications totalling £624 million in 2025 and made advances of £416 million, slightly up on the previous year, and we received £254 million of repayments, giving net new lending of £162 million. This was a good net lending performance and we went into 2026 with a satisfactory pipeline of applications.

Competition in the mortgage market remains intense both on price and criteria. We cannot compete with the largest players on price and we do not want to reduce the underlying quality of our loan book by materially loosening our criteria. Work in 2025, however, has evidenced the very low level of risk that we are running in this mortgage book. This will allow us to selectively alter our underwriting criteria where we feel that this is appropriate to gain additional

business and/or margin. We must continue to serve the independent mortgage brokers who introduce most of our business to us and design products to meet specific client need segments. We also have to meet the significant regulatory constraints that govern the overall shape of our mortgage book.

Total loans and advances including fair value adjustments ended the year at £2.3 billion, a record.

We have remained cautious on the Loan to Value that we will lend at, so that we are more protected than many other firms from any fall in the housing market if, for any reason, our borrowing Members cannot keep up with their repayments. Overall, our average loan to value on new business last year was less than 50%, which is a comfort both to the borrowers and

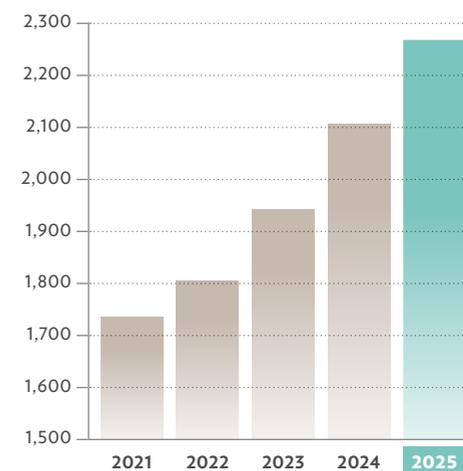
the Society – we do not want to see borrowers overstretched or facing negative equity.

The Society's prudent lending risk appetite is implemented through the individual assessment of loan applications by experienced underwriters and the success of the approach is demonstrated by the incidence of arrears remaining very low. Whilst we observe responsible lending principles, so that borrowers should find their mortgages affordable, genuine difficulties can arise in relation to maintaining mortgage payments in adverse economic conditions or changes in personal circumstances. We offer overstretched borrowers a range of options in accordance with our arrears policy and procedures which are compliant with regulatory guidance, best practice and the principles of the Consumer Duty. Reaching good outcomes for the customer is, though, dependent on borrowers making early contact with us and openly discussing their circumstances. It is pleasing to report that only ten residential properties mortgaged to the Group had to be repossessed during 2025. We have only 113 accounts in arrears; 27 of those by greater than 6 months. A number of these arrears cases are extant whilst the borrower's estate is wound up. In the final

analysis, most problems in banking are caused simply by lending money to people who are unable to repay it. This is why credit quality is fundamental to the Society's security and its long-term future.

Our review of the arrears situation at the end of 2025 resulted in provisions in the Group of £0.8 million, up slightly from £0.7 million the previous year.

GROUP RESIDENTIAL MORTGAGES (£MILLION)



## TREASURY OPERATIONS

As well as taking in retail deposits, we were active in the wholesale money market to help provide a diversity of funding. This activity is subject to careful management, with targets set for the mix of funding in terms of both source and duration and other limits set to ensure a prudent approach. It is pleasing that the Society is able to raise wholesale funding of varying maturities, including some longer-term funding, on attractive terms.

The Society's overall wholesale funding last year remained satisfactory and we have repaid the £250 million that we drew under TFSME utilising the bilateral facility that we have with Santander which was extended in the year.

Although the Society has not experienced any difficulties in raising funds throughout the various market conditions that have prevailed across recent years, we recognise the importance of maintaining a strong liquidity

position at all times. The Society's framework is subject to ongoing review. Central to this regime is the holding of a portfolio of high quality, readily realisable liquid assets, mainly UK Gilts, Treasury Bills and some carefully selected Covered Bonds, for additional return, and cash at the Bank of England, in

## CUSTOMER SERVICES

Cognisant of our duty to customers, our guiding principle remains to provide consistently attractive, innovative, fair and dependable products supported by convenient and personal service.

We want to be modern, but with traditional values.

Our online accounts are backed up by experienced and well trained people on the telephone, all in our Epsom office or, sometimes, working from home. Our branch is available for those who wish to deal with us in person. We continue carefully upgrading and updating our systems and improving our operational resilience, for when, inevitably, something goes wrong or fails. We place an especial and continuing emphasis on our cyber security and it is really important for Members to play their part in this by remaining vigilant too at all times. The threat posed in this area is growing. We each of us see it every day now. Sometimes our security protocols do frustrate some Members – but we are only trying to protect your money.

Our goal is always to answer the telephone promptly. Members value this – we all hate hanging on. At times during 2025, it has taken us a little longer to answer the phone than we aim for, given the high volume of deposit flows that we have seen and the new savings system and we are sorry when that does happen.

order to provide a buffer in the event of any major funding issues arising for any reason. Alongside the holding of these assets, there is a requirement to prove their value at regular intervals, either through sale or use as collateral in sale and repurchase (repo) transactions.

Consistent with the principles of the Consumer Duty, we take care in the design of our products to ensure they will meet the needs of the customers for whom they are designed, provide good outcomes and fair value and assess the impact of any new products on existing account holders. We do not reserve any of our products for new customers only and we notify our savers and borrowers of the products available to them upon expiry of special terms, such as fixed or discounted rates. We believe that we do well in retaining mortgage customers at the end of their product terms and we devote significant resource to contacting every Member personally as this time approaches. Our website is updated promptly and provides full details of our product range. In addition, there are a number of newsletter mailings undertaken each year which we use to keep customers advised generally of service developments.

Feedback from customers is much appreciated, with positive comments reinforcing our actions, whilst any instances of unsatisfactory service cause us to investigate and determine improvements for the future. It is rare that complaints from our Members are referred to the Financial Ombudsman Service ("FOS"). In 2025, a total of 7 FOS decisions were received. 1 of our decisions on the original complaint was overturned, and in 1 other case, the compensation that we had offered the customer was increased.

## PERSONNEL

Our employees should be proud of what they have done in 2025.

Across the Society, the people who explain what we have to offer to mortgage brokers, answer calls, give customers advice, open and close accounts, underwrite the loans and process the business, manage the money, evolve our products and produce our marketing materials, make sure our systems and IT operate and are resilient and safe, manage our risks, look after our people, keep what we do legal and compliant, prepare the accounts and make sure that the office functions, have all had another year in which there has been a great deal to do.

Many of our employees continue to work flexibly between the office and home. They enjoy the additional flexibility it gives them,

nevertheless fulfilling the obligations that their role requires. This goes to a collegiate attitude and the strong desire and commitment of our people to serve. If people need to be in the office, they come in, but we have chosen not to mandate a certain level of attendance – people need to do what they need to do, to do their job for you.

We are putting ever increasing efforts into employee training. We recognise employees who go beyond with a monthly reward and recognition scheme, where employees are recommended by other employees for the award. And as employees develop individually, we seek to facilitate them moving within the Society to areas that they have a particular interest in.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Society has always recognised its community, marketplace, employer and environmental responsibilities and targets. We met these responsibilities, almost instinctively, as a by-product of our mutual, customer owned status and business ethos, but they are also enshrined in Board-approved CSR and Environmental, Social and Governance Policy statements that encompass all facets and provide a steer for the ongoing development

of this important issue which is driven by employee-led Committees and the Board.

Our activities in the community include support for selected charities, schools, clubs and voluntary organisations based locally to the Society's head office; this includes in particular our local Citizens Advice which we believe provides an invaluable service to those who seeks its help.

## THE FUTURE

We aim to continue to grow in a measured, sensible and cautious way, when the background circumstances allow, generating a reasonable return, across the economic cycles, to maintain good capital ratios, whilst investing in our people and the future infrastructure of the Society, to improve our operational efficiency and help us continue to serve our Members in the ways that you want us to.

We have learnt that predicting the future with any accuracy is tough. So we must continue to

remain vigilant, and above all resilient, to dealing with the uncertainties that we all face and which, in significant part, continue to prescribe the Society's relationship with you, our Members.

We face the future with optimism and we continue to invest in that future. If we offer customers what they want – innovative, good value products, that meet their needs sensibly, delivered efficiently but with old-fashioned customer service, we will continue to prosper and serve.

## SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	GROUP	
	2025 £'000	2024 £'000
<b>Group results for the year</b>		
Net interest income	34,715	38,617
Fees, commissions and other income	1,754	1,303
Gain on investment properties	305	178
Net (losses)/gains from financial instruments	(2,751)	1,411
Administrative expenses	(33,144)	(32,619)
Depreciation and amortisation of software and goodwill	(1,200)	(1,267)
Provisions for impairment losses	(121)	(164)
<b>(Loss)/profit for the year before tax</b>	<b>(442)</b>	7,459
Tax credit/(charge)	333	(2,765)
<b>(Loss)/profit for the year</b>	<b>(109)</b>	4,694
<b>Financial position at the end of the year</b>		
<b>Assets</b>		
Liquid assets	555,318	441,146
Mortgages	2,323,162	2,136,739
Derivative financial instruments	26,949	50,671
Fixed and other assets	30,091	22,119
<b>Total assets</b>	<b>2,935,520</b>	2,650,675
<b>Liabilities</b>		
Shares	2,354,795	2,002,674
Borrowings	356,549	413,981
Derivative financial instruments	34,806	26,361
Other liabilities	16,350	35,540
Retirement benefit obligation	547	859
Reserves	172,473	171,260
<b>Total liabilities</b>	<b>2,935,520</b>	2,650,675

## SUMMARY OF KEY FINANCIAL RATIOS

	GROUP	
	2025 %	2024 %
<b>As a percentage of shares and borrowings</b>		
Gross capital	6.36	7.09
Liquid assets	20.48	18.25
<b>As a percentage of average total assets</b>		
(Loss)/profit for the year	(0.00)	0.18
Management expenses	1.23	1.32

The notes on page 30 form part of this Summary Financial Statement.

The Summary Financial Statement was approved by the Board of Directors on 9 March 2026 and signed on its behalf by:

**Simon Wainwright**  
Chair

**Mark Bogard**  
Chief Executive

**Andrew Barnard**  
Finance Director

## NOTES TO THE SUMMARY STATEMENT

THE INFORMATION SHOWN HAS BEEN TAKEN FROM THE GROUP STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025.

Gross capital consists of general reserves and provides the cushion which underlines the Group's financial strength. The **gross capital ratio** measures the relationship between capital and the Group's liability to investors and depositors.

Liquid assets are funds readily available to meet general business activities. The **liquid assets ratio** measures the relationship between such funds and the Group's liability to investors and depositors.

The Group aims to make a reasonable level of profit in order to maintain its capital strength and allow for future growth. The **profit for the year ratio** measures the proportion that the Group's profit after taxation bears to the average of its total assets during the year.

Expenses need to be controlled so that the Group operates as efficiently as possible while providing the service that Members require. The **management expenses ratio** measures the proportion that the Group's administrative expenses for the year bears to the average of its total assets during the year.

## INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS AND DEPOSITORS OF NATIONAL COUNTIES BUILDING SOCIETY

### OPINION

We have examined the Summary Financial Statement of National Counties Building Society ('the Society') for the year ended 31 December 2025 set out on pages 18 to 30.

On the basis of the work performed, as described below, in our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2025 and conforms with the applicable requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

### BASIS FOR OPINION

Our examination of the Summary Financial Statement consisted primarily of:

- Agreeing the amounts and disclosures included in the Summary Financial Statement to the corresponding items within the full Annual Accounts, Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2025, including consideration of whether, in our opinion, the information in the Summary Financial Statement has been summarised in a manner which is not consistent with the full Annual Accounts, the Annual Business Statement and Directors' Report of the Society for that year;

- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full Annual Accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2025.
- We also read the other information contained in the Members' Update and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

Our report on the Society's full Annual Accounts describes the basis of our opinions on those Annual Accounts, the Annual Business Statement and Directors' Report.

### DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Summary Financial Statement within the Members' Update, in accordance with applicable United Kingdom law.

### AUDITOR'S RESPONSIBILITIES

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Members' Update with the full Annual Accounts, Annual

Business Statement and Directors' Report and its conformity with the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

### THE PURPOSE OF OUR WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This Auditor's statement is made solely to the Society's Members, as a body, and to the Society's depositors, as a body, in accordance with section 76 of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's Members and depositors those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Members as a body and the Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

**Stephen Littler**  
**(Senior Statutory Auditor)**  
**for and on behalf of Ernst & Young LLP,**  
**Statutory Auditor**  
Manchester

9 March 2026

## BOARD OF DIRECTORS

### Chair

Simon Wainwright BSc, MBA, FCBI

### Vice Chair

Patrick Muir

### Directors

Mark Bogard MA\*

Andrew Barnard BA, ACMA, CGMA\*

John Cole FCA

Robin Churchouse BA, ACA

Louise Colley MA

Peter Navin BA, FCBI

Susan Sharrock Yates BA, FCA, FCT

\* Executive Directors

## EXECUTIVE TEAM

### Chief Executive

Mark Bogard MA

### Finance Director

Andrew Barnard BA, ACMA, CGMA

### Functional Directors

**Business Change:**

Michael Feather

**Chief Risk Officer:**

Graeme Wolvaardt

**Commercial Development:**

Chris Agathangelou

**Finance:**

Malcolm Clays BSc, ACA

**Financial Planning and Analysis:**

David Horsman LLM, FCCA

**Information Technology:**

Grigorios Anastasiadis

**Lending:**

Phillip Townsend

Blaine Faragher BA(Hons)

Alistair Nimmo

**Marketing:**

**People and Learning  
& Development:**

Rebecca Upton

**Products and Business Insight:**

Jamie Crayden BSc

**Secretary and Compliance  
and Legal Services:**

Kathryn Mendoza LLB

**Treasury:**

Nick Hodges BSc, FCT, ACMA



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