

Annual General Meeting

**Summary  
Financial  
Statement**  
2023



# Summary Financial Statement

## **The directors have pleasure in presenting the Summary Financial Statement of the Society and its subsidiaries ('the Group') for the year ended 31 December 2023.**

The Statement is a summary of information published in the audited Annual Accounts, Directors' Report and Annual Business Statement, all of which are available to members and depositors, on the Society's website: ([leedsbuildingsociety.co.uk/reports](https://leedsbuildingsociety.co.uk/reports)) or on request at any branch, free of charge. The Independent Auditor's Report on the Society's full Annual Report and Accounts was unmodified.

## **Summary Directors' Report**

The Summary Directors' Report for the year ended 31 December 2023 comprises the Chair's Statement on pages 6 and 7, and the Chief Executive Officer's Review on pages 10 and 11 of the Member Magazine.

The directors have confirmed it is appropriate to adopt the going concern basis in preparing the financial statements.

**Approved by the board of directors on 22 February 2024 and signed on its behalf by:**

**Iain Cornish**  
Chair

**Richard Fearon**  
Chief Executive Officer

**Andrew Conroy**  
Chief Financial Officer

## **Explanation of key financial ratios**

### **1. Gross capital as a percentage of shares and borrowings**

Gross capital provides a financial cushion against losses which might arise from the Group's activities and therefore provides protection for savers and investors.

The gross capital ratio shows the size of our gross capital relative to our shares and borrowings. Gross capital is made up of our profits which have accumulated over many years in the general reserve, plus other reserves, subordinated liabilities and subscribed capital.

### **2. Liquid assets as a percentage of shares and borrowings**

This ratio shows the proportion of our shares and borrowings which is held as cash or assets which are readily convertible to cash. Liquid assets are held to enable the Group to meet requests for withdrawals from savers and investors, to make new mortgage loans and to fund our business activities.

### **3. Profit for the year as a percentage of mean total assets**

The profit to mean assets ratio shows our profit after tax relative to the average of our total assets during the year. We need to make sufficient profits each year to maintain our capital at a suitable level to protect our members and investors.

### **4. Management expenses as a percentage of mean total assets (cost to mean asset ratio)**

The management expenses ratio measures our management expenses relative to the average of our total assets during the year. Management expenses consist mainly of the costs of employing staff and running the Group's branches and offices and IT systems. Expenses are controlled so that we operate as efficiently as possible while providing a high quality service to our members.

<b>Results for the year 2023</b>		
	<b>2023</b>	<b>2022</b>
	<b>€m</b>	<b>€m</b>
Net interest receivable	337.6	359.6
Other income and charges	26.6	2.4
Fair value gains / (losses) from financial instruments	(6.7)	14.7
Management expenses	(169.0)	(141.0)
Impairment (charge) / credit on loans and advances to customers	(6.1)	(11.9)
Impairment of property, plant and equipment and intangible assets	(0.2)	(3.8)
Provisions (charge) / release	(0.7)	0.5
<b>Operating profit and profit before tax</b>	<b>181.5</b>	<b>220.5</b>
Taxation	(47.6)	(58.6)
<b>Profit for the financial year</b>	<b>133.9</b>	<b>161.9</b>
<b>Financial position at the end of the year</b>		
<b>Assets:</b>		
Liquid assets	5,559.3	4,580.7
Mortgages	21,782.9	20,324.3
Other loans	158.3	168.9
Derivative financial instruments	443.6	679.9
Fair value adjustments	(132.3)	(585.9)
Fixed and other assets	334.1	346.0
<b>Total assets</b>	<b>28,145.9</b>	<b>25,513.9</b>
<b>Liabilities and equity</b>		
Shares	20,793.0	17,520.4
Borrowings	4,747.8	5,209.1
Derivative financial instruments	233.0	251.9
Other liabilities	371.8	519.0
Subordinated liabilities	323.9	309.1
Subscribed capital	33.0	197.6
General reserve	1,548.5	1,415.3
Other reserves	94.9	91.5
<b>Total liabilities and equity</b>	<b>28,145.9</b>	<b>25,513.9</b>
<b>Summary of key financial ratios</b>		
1. Gross capital as a percentage of shares and borrowings	7.83%	8.86%
2. Liquid assets as a percentage of shares and borrowings	21.77%	20.15%
3. Profit for the financial year as a percentage of mean total assets	0.50%	0.67%
4. Management expenses as a percentage of mean total assets	0.63%	0.59%

## Independent auditor's statement to the members and depositors of Leeds Building Society

We have examined the Summary Financial Statement of Leeds Building Society and its subsidiaries (the Group) for the year ended 31 December 2023, which comprises the results for the year, financial position at the end of the year and summary of key financial ratios together with the Summary Directors' Report.

### **Respective responsibilities of directors and auditor**

The directors are responsible for preparing this Member Magazine containing the Summary Financial Statement, in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Member Magazine with the full Annual Report and 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.

We also read the other information contained in the Member Magazine 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 the items listed on the contents page.

### **Basis of opinion**

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

### **Opinion on Summary Financial Statement**

In our opinion the Summary Financial Statement is consistent with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of Leeds Building Society for the year ended 31 December 2023 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made thereunder.

### **Use of our report**

This report is made solely to the Society's members, as a body, in accordance with Section 76(5) of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report 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, for our audit work, for this report, for our audit report, or for the opinions we have formed.

**Deloitte LLP – Statutory Auditor  
Leeds, United Kingdom  
22 February 2024**