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BEVERLEY

BUILDING SOCIETY



**Member
review 2025**

**Building
Better
Futures**

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Celebrating 160 Years of Putting Members First!

Beverley Building Society has been supporting generations for 160 years, helping people feel secure about their money and confident about the future. Established in 1866, our founders believed in the power of community: by pooling savings, they made home ownership more accessible, a principle that guides us to this day.



Unlike many financial institutions focused on shareholders and short-term gains, we are proud to **remain owned by our members**. Every decision we make is shaped by what benefits you, ensuring our focus stays on your long-term financial wellbeing and investing in the Society's future. We are powered by **four simple pillars** that guide everything we do, **keeping the Society financially strong** to help members achieve their financial goals: **providing mortgages to people often challenged by the wider market** so they can live in homes they love, **giving back to our community** by supporting local causes that make our area an even better place to live, and **building lasting relationships through flexible, friendly service**, ensuring our customers and partners always feel truly valued. As expectations shift towards digital convenience, we are investing in technology to **make savings and mortgages easier**. However, we believe human connection is still vital. While high street banks may be closing branches, our head office and branch on Beverley's Saturday Market remains open and welcoming. When you contact us, you will always speak to someone who understands your needs, **because trust and empathy matter**.

Community involvement is at the heart of what we do. We actively support local causes and

charities, believing that strong communities contribute to stronger financial futures. Each year we give back to **make our region better for everyone**.

As the world changes, our commitment endures: **helping you build a better financial future**. We will continue to blend modern banking with the values that have always defined us - mutuality, community, and "people-first service".

This booklet provides updates on our efforts to fulfil our purpose and support members, partners, and the community.



Highlights of the Year

Providing Financial Security for our Savers

Profit before tax of
£758k

(2024: £546k).

Excluding one-off system investment costs and profit on disposal of investments, the profit before tax is £1.1m (2024: £845k). Achieving this level of profit allows us to invest for member benefit for the future.

We achieved a strong margin at 2.18% (2024: 2.12%) and growth in assets of 1.19% to a **record high of £225.6m** (2024: £223.0m).



Savings have increased by **£1.8m in the year**,

despite having to pass some of the Bank of England base rate reductions onto our savings customers we have still seen growth. We continue to offer competitive savings rates with our notice accounts and fixed rate bonds proving popular.



Cash and cash equivalents increased significantly to **£85.5m**

compared to £73.0m in 2024, demonstrating a strong liquidity position and resulting from increased income from investments.

Our expenses remained flat year on year

as we have been disciplined in ensuring value for money on all costs. This has resulted in a reduced management expense ratio of 1.74% (2024: 1.83%).



Employee numbers increased

as the Society has invested in experience and expertise in key areas.



Capital continues to grow steadily

helping to protect the Society in changing economic times.

Helping more people challenged by the market to live in the home they choose

Mortgage balances reduced to **£139.2m (2024: £149.6m)**

as we held back from writing mortgages which don't reflect sustainable value. Our mortgage book generated £7.8m in income for the Society (2024: £9.2m) and our new mortgage advances increased by 21% year on year.



We worked hard to ensure we were able to offer competitive, sustainable products to our mortgage members, both new and existing, in a challenging trading environment. The launch of our new fixed rate products proved popular in the second half of 2025, resulting in a healthy pipeline to enter 2026.

38% of our book are self-employed and 48% are supported through later life lending.

We donated **£19.2k** back into our local community in 2025.

Within this we supported Hull and East Yorkshire Mind as our charity of the year with over £9.2k of support, through organising fundraising events and donations.

£19.2k

Supporting our community to enable it to be an even better place to live



By providing flexible, exceptional service, building lasting customer and partner relationships



Member satisfaction remained exceptionally high,

our independent customer feedback score remains one of the strongest in the sector with 4.92 out of 5.

<https://smartmoneypeople.com/beverley-building-society-reviews/products>



Our broker feedback continues to be strong with the latest comments recognising this:

"Great communication, outside the box thinking from an underwriting perspective".

what **MORTGAGE**

We are also delighted that our activity and commitment to service continued to be recognised externally in 2025 with awards from **What Mortgage**, Yorkshire Financial and Mortgage Introducer.

Chair Welcome

For the year ended 31 December 2025

I am pleased to report that in 2025 we delivered another solid financial performance with increased profit and healthy margins against an uncertain economic backdrop. We achieved strong growth in savings balances and liquidity. However, our mortgage book reduced as we chose not to write unprofitable business in a very competitive environment. This is a key area of focus for the Board and the second half of the year showed some promising improvement.

Colleagues throughout the Society continued to deliver excellent service to our members and to support our local community. We also made significant progress with our plans to modernise the business through investment in our people and technology. For example, our savings accounts can now be opened online, and we expect to offer a savings app to our members during 2026. The project to upgrade our core systems is progressing to plan, is within budget and we have strengthened our cyber security protections.

The Board welcomes the changes announced by our regulators in 2025 that give a supportive approach to helping lenders create mortgage products to better meet evolving customers' needs. Our key priorities for the next 12 months are to ensure that we have the appropriate products and capabilities to achieve sustainable growth in mortgage lending at the right margin and to continue with our ambitious programme to modernise the business. We have strong levels of capital and funding to help us achieve this.

There were no changes to the Board during 2025. Oliver Laird, Chair of the Audit & Compliance Committee, has advised he intends to step down during 2026 and we will, therefore, undertake an external recruitment process to appoint his successor.

I would like to thank my Society colleagues for their continued hard work and commitment. Customer feedback continues to show that it is the personal care and attention of our people that makes Beverley Building Society stand out. You will find more details of our 2025 financial results and business progress in the Chief Executive's Review and the Directors' Report.

Finally, I would like to extend my heartfelt gratitude to our members, my Board colleagues, brokers, suppliers and community partners for your ongoing support of the Society.

Karen Wint, Chair



24th February 2026



Chief Executive's Review

For the year ended 31 December 2025

At Beverley Building Society, our purpose remains clear and constant: to build better financial futures for our mortgage and savings members and to support the East Yorkshire community. Despite a challenging and uncertain economic environment, we strengthened our financial performance, continued to invest in our future, and remained firmly focused on delivering excellent service to our members.

2025 Performance Overview

The Society delivered a good financial result in 2025. Profit before tax increased to £758k (2024: £546k), and excluding one-off system costs, underlying profit reached £1.1m, due to growth in net interest income. Despite significant investment in our platform digitalisation programme and people, through cost discipline overall costs remained broadly flat year-on-year.

Total assets increased by £2.7m, supported by growth in savings and treasury balances. Mortgage balances reduced by £10.4m due to a subdued housing market and temporary competitive pressures. However, mortgage activity accelerated significantly in the second half of the year following the introduction of newly designed fixed rate products. Advances

rose by around 60% compared with the first half, and we closed the year with a healthy £10m mortgage pipeline, positioning us well for renewed growth in 2026.

The mix of our lending book began to shift, with a higher proportion of fixed rate mortgages reflecting member preferences. On the savings side, strong inflows into fixed rate bonds contributed to funding growth.

An on-going testament to our colleagues, member satisfaction remained exceptionally high. Our independent customer feedback score remains **one of the strongest in the sector with 4.92 out of 5.**

SCAN HERE
to check out our
Smart Money
People page!



We are also delighted that our activity and commitment to service continued to be recognised externally in 2025.



Savings

The UK savings market experienced modest growth in 2025, with intense competition from larger providers. Our focus remains on delivering long term value, coupled with personal service that distinguishes the Society.

Externally, in the 2025 Autumn UK Budget there was the disappointing announcement that the Cash ISA tax free allowance will be reduced from 2027. In more positive news the FSCS (Financial Services Compensation Scheme) increased the deposit protection limit to £120,000 per person, giving our members even greater confidence in the security of their savings.

In 2025 the Beverley launched a range of competitive fixed rate bonds that attracted c. £5m in new deposits. Our highly regarded Junior ISA - one of the best paying in the UK - continues to be offered exclusively to young savers in our region, supporting the development of good savings habits from an early age.

Following investment in digital technology, we continue to roll out our digital savings accounts which can be opened and managed securely online. In 2026 we look forward to launching our mobile app, to further support member ability to transact and view their savings account at a place and time of their choosing.

Mortgages

For homeowners and lenders, 2025 was a year of stable but cautious activity. UK house prices grew modestly, and mortgage demand remained steady. Competition intensified in specialist segments as larger lenders sought to protect volumes amid a slow overall market.

Our commitment is to support members who are not always well served by mainstream lenders such as the self-employed, later life borrowers and self-builders. During 2025,

responding to the market, we broadened our fixed rate mortgage range. Fixed rate lending - previously a small share of our total - grew materially through the year, and we expect this to continue as we invest in interest rate hedging capabilities in 2026.

Residential mortgage arrears remain at low levels, reflecting the strong quality of our lending and the resilience of our members. Our average loan-to-value ratio remains low at 29.9% (2024: 31.4%), providing a strong buffer for members and the Society against market volatility.

Customer Service

The personal, friendly service offered by our team remains a defining strength of the Society. We expanded our customer service team to maintain high standards and short wait times, with calls answered promptly and colleagues readily available in branch, by phone, and online. This personal touch remains a major differentiator at a time when many financial institutions rely heavily on automation.

Investing in Technology and People

Our long-term success is built on the strength of our people and the quality of our systems. We are progressing with a significant, once in a generation investment in technology to improve digital access for members and brokers and support more efficient operations.

In 2025 we continued to strengthen our team in many key areas of the business as preparation for our new technology.

Corporate Social Responsibility

In line with our purpose, we recognise our responsibilities to colleagues, the community and the environment.

Community

We supported Hull and East Yorkshire MIND as our Charity of the Year, raising £19.2k through donations and events including cycling challenges, golf days and bake sales. We also continued to support valued local organisations.

Colleagues

The success of the Society is driven by its people. We remain an accredited Living Wage employer and continue to invest in quality training and development to ensure colleagues feel supported, equipped to help members and developed in their careers.

Climate

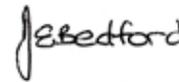
We are reducing our carbon footprint through lower paper use, improved building efficiency and increased digital communications. An independent climate risk assessment, undertaken every three years, confirmed there is no heightened risk within our mortgage book.

Looking Ahead

Looking forward we welcome the current Government's commitment to supporting the mutual sector, recognising they offer greater resilience and support inclusive regional growth. In addition, the removal of certain Building Society specific regulation in 2026 and the introduction of more proportionate regulation, under the small domestic deposit takers (SDDT) regime in 2027, provides more opportunities for smaller mutuals like the Beverley to compete.

We recognise, global and UK economic uncertainties are expected to continue. Competition - particularly in mortgages - will remain strong. But with a trusted brand, exceptional service, strong capital, and continued investment in technology and people, we are well placed to navigate the challenges ahead. Above all, we remain committed to our purpose: supporting better financial futures for our members and community.

Janet Bedford, Chief Executive Officer



24th February 2026

Your Savings, Your Way – Service at the Heart of Every Account

Choosing an online savings account does not have to mean sacrificing the personal touch and reassurance that comes with attentive service. At Beverley Building Society, we ensure that every member continues to receive warm, personalised support, no matter how they choose to manage their savings.

Trevor and Helen have been loyal savers with Beverley Building Society for over two decades, embracing the straightforward convenience of an instant access account. For much of this time, Trevor took comfort in visiting our branch to update his passbook - a simple routine that allowed him to connect directly with the team caring for his finances. Although Trevor and Helen once planned on retiring in Yorkshire, life led them to settle in Essex. Despite living further away, Trevor remained committed to Beverley Building Society. He was determined to make the most of his savings without relinquishing the ability to speak to a real person whenever support was needed - a feature that is becoming increasingly rare as high streets turn to automation.

Digital Savings, Human Service

Our expanding range of digital savings accounts offered Trevor and Helen the flexibility they were looking for at just the right moment. Designed to provide more choice, our online products enable members to open and manage accounts digitally, while still enjoying the high standard of service that Beverley Building Society is renowned for.

Helen shared her experience: **“We found everything was clear and easy to follow. I didn’t need to call the branch for help – although I know they would have been happy to talk to me if I had. It feels like a real ‘comfort’ account, something for life’s unexpected moments, and Trevor is very happy with it.”**

Offering genuine choice is at the heart of Beverley Building Society’s ethos. Whether members prefer to manage their savings online or in person with their passbook, our commitment is to provide authentic human service whenever it is needed.

Helen concludes: **“Beverley Building Society really does offer the best of both worlds, simple online banking, backed by someone friendly at the end of the phone. I’d happily recommend you to anyone.”**

**SCAN HERE
to find your
perfect fit!**



Rates may change, Accounts subject to T&Cs.



Scan the QR code to learn more about our Self-Build Mortgage offer!

Turning Dreams into Reality with a Human Touch

When Darren and his wife set out to build their dream home in 2025, they encountered more than a few hurdles along the way.

As working professionals with a plot of land, no existing debt, a strong credit history, and £150,000 set aside, they assumed securing the final 25% of their build cost would be a straightforward affair. To their surprise, they soon discovered that self-build mortgages are not widely offered, and their journey began with setbacks - a disappointing experience with their first lender, who demanded a hefty upfront fee, followed by delays. Another provider declined to help, citing only six months left on the three-year planning permission.

Third Time Lucky

Undeterred, Darren and his wife pressed on, and were pleasantly surprised when they came across Beverley Building Society.

Lending is subject to status, valuation, and affordability checks. Please remember, your home may be repossessed if you do not keep up repayments on your mortgage.

Darren recalls: **“We spoke to an actual person straight away, we received a decision in principle quickly, and within a couple of weeks we had a Self-Build Interest-Only Mortgage offer in our hands. The application process was simple, the team took time to understand our situation in detail and demonstrated a real customer focus. Funds arrived in four manageable stages, just as we needed them.”**

Support Every Step of the Way

As often happens with building projects, unexpected costs cropped up - rising material prices and adjustments to planning meant the couple needed additional funds. Once again, Beverley Building Society was there to provide the support they needed.

Darren says: **“The service was impeccable - smooth, stress-free, and handled exactly as we’d hoped. I’ve already recommended The Beverley to several friends, and I’ll gladly continue to do so.”**

Making a Positive Impact in our Heartland



Investing in our community is part of Beverley Building Society's founding principles and, in addition to providing good value savings and mortgage products, we're passionate about giving back to local causes that align with our purpose of 'Building Better Futures'.

Continuing a two-tier approach has also helped us to make a significant difference to one important cause, whilst still supporting a variety of other worthy organisations.

Keep reading to find out exactly how we donated a total of £19,206 to our East Riding heartland!

2025 Charity of the Year: Hull and East Yorkshire Mind

Public awareness of mental wellbeing and homelessness has increased significantly in recent years, so partnering with Hull and East Yorkshire Mind enabled us to keep this conversation going.

As an independent charity within the Mind federation, the Charity has been providing support for these issues in our communities since 1976. In 2024 alone, the charity helped over 25,000 people through counselling, group support, housing and more.

In addition to volunteering and marketing, **our 2025 Charity of the Year campaign raised a total of £10,321** from supporting the Charity's Quiz Night, Football Tournament, Golf

Day, Mental Elf race and initiatives organised by Team BBS, such as Skydives, branch promotions, and our popular Bike Challenge.

Jack Moore, Head of Marketing and External Relations at Hull and East Yorkshire Mind said: "The funds raised during this campaign will enable us to continue offering life-changing support for people, while also helping us to promote positive mental health across the region."



2026 Charity of the Year: Beverley Cherry Tree Community Centre

We are proud to announce that this year we will once again be supporting the fantastic Cherry Tree. Situated at the heart of our community, the Charity provides invaluable support to local residents through life's ups and downs. From offering a welcoming community pantry to running a vibrant youth club - recently featured on *DIY SOS* - their work continues to make a meaningful difference to the lives of so many. Centre Manager Jo Ramsay captured the announcement perfectly: "I'm absolutely delighted that the Beverley has chosen to work with us again and I cannot thank them enough! Many of the people we help are in crisis, with no one else to turn to, so this campaign will change lives."

Yorkshire Cancer Research

Our Chief Operating Officer, Kevin Mowles took part in a Star Wars themed 'Walk for Yorkshire' which, after our match-funding of £2,000, raised a total of £4,000! Kevin said: "I know many of us and our families have been ravaged by the horror that is cancer, so it was nice to do something positive on behalf of the Society to fight back." BBS then donated a further £1,000 to honour the Charity's 100th Anniversary year.

Beverley Cherry Tree Community Centre

Jo Ramsay, Centre Manager said: "This is a lifeline for our pantry members, especially with the cost-of-living crisis and we are extremely appreciative. It felt like someone cared in our time of need."

East Yorkshire Food Bank

Manager, Mandy Thomlinson, said: "This donation puts smiles on people's faces who are having to choose between eating and heating. It takes away the pangs of hunger and the worry of where the next meal will come from."



East Riding Theatre

Production Technical Manager, Matt Pilsworth, said: "The financial support has made a real difference reducing troubleshooting and ensuring everything runs smoothly for the team and the show."



Beverley RUFC

Club Chairman, Brian Gilbert, thanked BBS for its continued partnership, saying: "It's a pleasure to work together locally."



Beverley Minster Tree Festival

Bob Farley, Beverley Minster's Christmas Tree Festival Coordinator, commented: "It is so important to our community that we have businesses supporting the annual Christmas Tree Festival. Commerce is a vital component of our daily lives and promotes our own local society. Working together, we build better futures."



Meet the Board

Executive Directors



Janet Bedford | Chief Executive Officer

Janet became Chief Executive Officer in 2022, leading the Society in order to deliver its purpose, to deliver better financial futures to our members and community. A Chartered Accountant, she has been with the Society for over ten years, initially as Chief Financial Officer then Deputy CEO. She has over 20 years of extensive senior leadership experience within financial services.



Sally Hall | Chief Financial Officer

Sally joined the Society in October 2023. Sally is an accomplished finance leader and has over 20 years of experience across varying sectors, including financial services. Sally leads the finance team to deliver value to our members whilst maintaining the financial regulatory requirements of the Society.



Bob Andrews | Non-Executive Director

With 35 years in Financial Services primarily in the banking, mortgage and insurance sectors, Bob's strengths are in strategy and growth, governance, operational resilience, culture change and brand development. Working with business leaders to develop operational excellence, Bob is our People and Culture Chair, Whistleblowing Champion and a member of the Risk Committee.



Oliver Laird | Non-Executive Director

Oliver is an experienced Chief Financial Officer with significant public and private sector experience, including retail financial services. He has previously held senior roles at Lloyds Banking Group, Co-operative Financial Services, First Direct Bank and more recently at Lookers plc. Oliver is also a NED at Shepherds Friendly Society, Vanquis Banking Group and Paysafe UK. He is Chair of our Audit & Compliance Committee and a member of the Risk Committee.



Mark Robinson | Non-Executive Director

Mark's relevant background in niche lending, distribution, IT infrastructure and culture development, complements his board level leadership experience, predominantly in the mutual sector. He also possesses a strong understanding of risk, compliance, and regulatory relationship management. He is Chair of the Risk Committee and is a member of the Audit & Compliance Committee.



Stephen Smith | Non-Executive Director

With over 45 years experience in the financial services sector, mainly leading property-related retail businesses for a major UK financial services provider, Stephen has practical expertise of mortgage market distribution, driving growth strategies and an understanding of targeted customer marketing. He is a member of the Risk Committee and People & Culture Committee, and he is also Board Champion for the Consumer Duty.

Non-Executive Directors



Karen Wint | Non-Executive Director

Karen joined the Board in 2021 and became Chair in February 2023. She has previously chaired the Risk Committee and been a member of the Audit and Compliance Committee. Her career spanning over 40 years in the building society sector drives her passion for the mutual model. As Chair, Karen is also a member of the People and Culture Committee.



Alfred Meeks | Senior Independent Non-Executive Director

Alfred is a Chartered Director, an experienced financial services NED, Senior Independent Non-Executive Director and Committee Chair, with specific expertise in mortgages and banking. With over 20 years' experience in the building society sector, he understands regulatory interaction and risk/governance. Alfred is also the Senior Independent Director, who deputises for the Chair in their absence. Alfred is a member of the People and Culture Committee and Audit & Compliance Committee.

Directors' Remuneration Report

For the year ended 31 December 2025

This report explains the Society's approach to the remuneration of Executive and Non-Executive Directors. It outlines how the Society has regard to the principles in the UK Corporate Governance Code (2018), together with the revisions issued in January 2024 where relevant, relating to remuneration alongside the disclosures within the Corporate Governance Report in the Report and Accounts.

The Procedure for Determining Remuneration

The functions of a Remuneration Committee are discharged by the Society's People & Culture Committee, which consists of four Non-Executive Directors. This Committee focuses on strategic matters which relate to the employment of all colleagues in the Society in particular to the culture of the Society, all people & human resources associated policies, remuneration and reward, learning & development and performance management. This Committee also assumes the role of the Nominations Committee and is, therefore, also responsible for succession planning and identifying and recruiting candidates for Board roles. Further information on the Committee's role with regards to Nominations is given in the Corporate Governance Report in the Report and Accounts.

The Committee meets at least 4 times a year. Attendance at meetings by members is shown within the Corporate Governance section of this document. Bob Andrews Chairs the Committee. Other Non-Executive members are Karen Wint, Stephen Smith and Alfred Meeks.

The Society aims to set remuneration which will attract and retain high calibre Executive and Non-Executive Directors ('NEDs') and Senior Management. The outcome has to be commensurate to the size and scale of the Society; to ensure this is achieved the Committee reviews and benchmarks Executive and Non-Executive packages against supporting evidence from within the building society sector and, where relevant, other comparable industries. The Committee undertakes these reviews at the point of recruitment as well as on a regular basis to ensure remuneration remains suitably competitive to attract and retain colleagues of the necessary calibre. The Society's remuneration of its Executive and Non-Executive Directors is set by the People & Culture Committee, commensurate to the size and scale of the Society as well as its performance and the principles of a mutual organisation.

The individual components of Executive and Non-Executive Directors' remuneration are detailed below.

Executive Directors' remuneration

The main components of the Executive Directors' remuneration are:

Basic salary

This reflects the job content and responsibilities, individual performance (assessed annually) and salary levels for similar positions in comparable organisations. Basic salary for all staff is reviewed annually and an increase awarded if appropriate. This annual assessment takes into account inflation through the year.

Pensions

The Society makes contributions, equivalent to 10% of basic salary for Executive Directors, to the Society's group defined contribution personal pension plan. To participate in the scheme Directors must contribute a minimum of 5% of their basic salary.

Other benefits

These include private medical insurance, permanent health insurance, death in service and participation in a group income protection scheme.

Contractual Terms

Executive Directors have contractual notice periods of six months. Their performance is reviewed on an annual basis.

Non-Executive Directors' remuneration

The People & Culture Committee reviews the remuneration of all Non-Executive Directors annually, using external data for other comparable building societies. Non-Executive Directors do not qualify for pension entitlement or other benefits and do not have service contracts.

Directors' Remuneration Disclosures (audited)

Executive Directors

	Salary £000	Benefits £000	Pension £000	Total £000
For executive services				
2025				
J E Bedford	160	1	16	177
S Hall	112	1	11	124
Total	272	2	27	301
2024				
J E Bedford	156	1	16	173
S Hall	109	1	11	121
M Marsden	86	1	7	94
Total	351	3	34	388

	2025 Fees £000	2024 Fees £000
Non - Executive Directors		
R K Andrews (Chair of People & Culture Committee)	25	24
O W Laird (Chair of Audit & Compliance Committee)	25	24
A B Meeks (Senior Independent Director)	26	25
M T Robinson (Chair of Risk Committee)	25	24
S C Smith	25	24
K Wint (Chair of Board)	31	30
Total	157	151

PRA and FCA Remuneration Codes

The Society has adopted a Remuneration Policy, which describes how the Society complies with the relevant sections of the Financial Conduct Authority's (FCA) and Prudential Conduct Authority's (PRA) Remuneration Codes. These Remuneration Codes require the Society to disclose the remuneration of a range of staff including Executive Directors, Non-Executives and other senior management, staff engaged in control functions and risk takers whose role has a material impact on the Society's risk profile.

As at 31 December 2025, the Society had 13 people that were classified as material risk takers (31 December 2024: 12). Their remuneration for the period is shown in the table below.

	2025 £000	2024 £000
Material Risk Takers		
Non-Executive Directors	157	151
Executive Directors	301	293
Other Senior Management	407	261
Total	865	705

The Year Ahead

The People & Culture Committee has set out its agenda of activity for 2026 and intends to focus, in the year ahead, on key areas such as continuing to embed a culture of efficiency and innovation, developing a strong employer brand, looking at ways to encourage our employees to work at the top of their skillset and reviewing succession planning and development.

Bob Andrews



Chair of the People & Culture Committee 24th February 2026

Summary Directors' Report

The Economy

The UK economy grew modestly in 2025, with early optimism diminishing in H2, as inflation remained well above the Bank of England's 2% target, averaging 3.5%–3.8% throughout the year. We saw the Bank of England making further base rate reductions throughout the year, with the rate starting the year at 4.75% and ending the year at 3.75%. The economic environment has continued to be competitive for both the mortgage and retail savings markets. The Society strived to ensure it continued to offer competitive products to members through this period. We launched new fixed rate products in the second half of 2025 and these proved very successful.

Despite reductions in the Bank of England base rate, the Society managed to grow its savings balances in 2025, by ensuring we continued to offer good value saving rates over the long term, combined with exceptional personal service. Throughout 2025 we continued to grow our notice accounts and fixed rate bonds, which proved popular as we saw base rate reductions. House purchase activity was higher in 2025 compared to 2024, impacted by stamp duty changes in April 2025, improved mortgage approval levels and some rebound in market confidence, however the market remains dominated by fixed rate lending with over 90% of the UK mortgage market on fixed rate mortgages. The Society saw new advances lower than anticipated, however, as detailed above, we launched new fixed rate products in the second half of 2025 and these proved successful. We have also carried out our annual strategic review of our key market segments and remain committed to serving those underserved by the mainstream market.

Economic Outlook

The Bank of England's December 2025 cut brought the Base Rate to 3.75%, and while further reductions are expected during 2026, the MPC (Monetary Policy Committee) has signalled limited scope for easing. This cautious downwards path should gradually support borrowing conditions and improve mortgage affordability.

The mortgage market is showing signs of recovery, with gross and net lending significantly higher year on year. Affordability pressures remain but improving wage dynamics and modest rate reductions are expected to drive further activity, particularly in the remortgage segment as a large wave of fixed rate deals mature through 2026. House price growth is expected to remain modest, with activity levels stabilising.

On the savings side, balances increased strongly at the end of 2025, reflecting still elevated saving ratios. However, the recent base rate cut has already led providers to lower rates, and if inflation remains around 3%, real returns could weaken, influencing saving behaviours throughout 2026.

The Society remains committed to providing mortgage finance to both current and new members. This commitment is underpinned by our focus on local savings, our aim to support families in achieving affordable home ownership, while simultaneously ensuring the long-term sustainability and financial health of the Society. We will continue to support our members with their savings goals following the news in the 2025 Autumn UK Budget that the Cash ISA tax free allowance will be reduced from 2027.

Business Performance

As a mutual, the Society does not pay dividends. Profit is therefore re-invested back into reserves, building financial strength and providing long term resilience for members' benefit.

2025 Highlights

- Profit before tax of £758k (2024: £546k). Excluding one-off system investment costs and profit on disposal of investments the profit before tax is £1.1m (2024: £845k). Achieving this level of profit allows us to invest for member benefit for the future.
- We donated £19.2k back into our local community in 2025. Within this we supported Hull and East Yorkshire Mind as our charity of the year with over £9.2k of support, through organising fundraising events and donations.
- We achieved a strong margin at 2.18% (2024: 2.12%) and growth in assets of 1.19% to a record high of £225.6m (2024: £223.0m).
- Savings have increased by £1.8m in the year, despite having to pass some of the Bank of England base rate reductions onto our savings customers we have still seen growth. This proves that we continue to offer competitive savings rates with our notice accounts and fixed rate bonds proving popular.
- We worked hard to ensure we were able to offer competitive, sustainable products to our mortgage members, both new and existing, in a challenging trading environment. The launch of our new fixed rate products proved popular in the second half of 2025, resulting in a healthy pipeline to enter 2026.
- Mortgage balances reduced to £139.2m (2024: £149.6m) as we held back from writing mortgages which don't reflect sustainable value. Our mortgage book generated £7.8m in income for the Society and our new mortgage advances increase by 21% year on year.

- Cash and cash equivalents increased significantly to £85.5m compared to £73.0m in 2024, demonstrating a strong liquidity position and resulting from increased income from investments.
- Our expenses remained flat year on year as we have been disciplined in ensuring value for money on all costs. This has resulted in a reduced management expense ratio of 1.74% (2024: 1.83%).
- Employee numbers increased as the Society has invested in experience and expertise in key areas.
- Capital continues to grow steadily helping to protect the Society in changing economic times.

The Society's income from mortgages and the interest payable to savings members were impacted in 2025 by Bank of England base rate reductions. Whilst we didn't pass the full amounts of the reductions through to our members, we reduced proportionately to balance the interests of our mortgage and savers members and the Society's ability to invest and modernise.

In 2025 the Society increased its fixed rate lending and launched a fixed rate bond as we currently adopt a matched approach in managing interest rate risk. The fixed rate bond proved successful as did our fixed rate lending and these form part of the corporate plan for 2026-2030. We enter 2026 with a strong mortgage pipeline of £10m.

Whilst we saw a reduction in our mortgage book, our savings grew despite the rate reductions, this resulted in an increase in our liquid assets and increased investment income of £3.2m (2024: £2.6m). Our Net Interest Margin remains strong at 2.18% (2024: 2.12%), with Net Interest Income increasing to £4.9m (2024: £4.6m).

Net Interest Margin (the difference between interest received on assets and interest paid on liabilities, measured as a percentage of mean assets.)

Net Interest Margin (the difference between interest received on assets and interest paid on liabilities, measured as a percentage of mean assets.)



Administrative expenses are in line with prior year at £3.9m (2024: £3.9m). Included in these figures is the strategic investment in our core system upgrade, as we ensure our Society is sustainable in the future, from both a resource and systems perspective. The management expense ratio has reduced compared to prior year to 1.74% (2024: 1.83%). The one-off costs incurred in 2025 were £338k, compared to £342k in 2024, excluding the one-off costs the management expense ratio would be 1.59%.

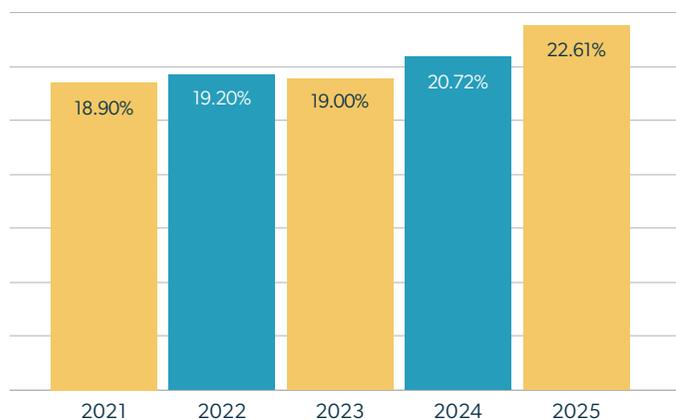
The Society has increased the provisioning against its overall mortgage book by £254k (2024: £248k). We have seen some movement in the year with the disposal of three of our properties in possession which were legacy commercial properties. Our mortgages with forbearance remain flat year on year.

The Society's profit before tax (PBT) for 2025 was £758k (2024: £546k). Excluding one-off core system costs, the underlying profit before tax is £1.1m (2024: £845k).

Capital

Capital is a key measure of our financial strength and is primarily comprised of accumulated profits. Capital supports growth and protects the business against its principal risks. Total capital as a percentage of Risk Weighted Assets (RWA) has increased substantially over the five-year horizon, due to strong profitability and reducing risk within the asset base (as measured by RWA). The Society's total regulatory capital reserves, which consist of retained earnings, revaluation reserve and collective provisions, grew by around 3.6%.

Total Capital Ratio

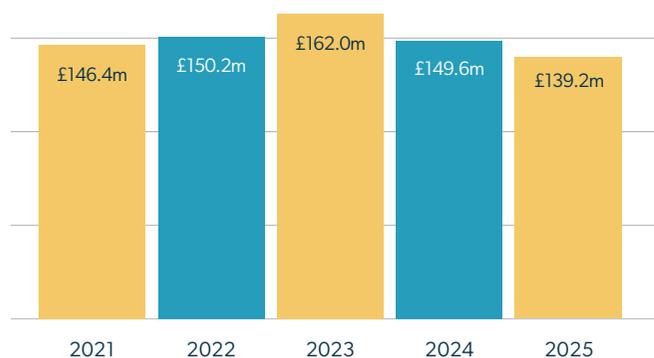


The minimum regulatory capital requirement for the Society remains at 8.0% of the Society's risk weighted assets. This is unchanged from the requirement in place at the prior year end as set by the Prudential Regulation Authority (PRA) and was reviewed as part of their capital review that was last conducted in June 2024.

Loans and Advances

During the year the Society lent £20.7m of mortgages (2024: £17.1m) and retained 69.0% of residential mortgage schemes that had come to the end of their mortgage scheme period (2024: 68.9%). The challenging trading environment resulted in a reduction in the Society's mortgage book by 7.0% from £149.6m to £139.2m. This is in part due to us choosing not to compete in unprofitable or excessively risky areas. The Society worked hard to provide mortgage products and offerings that serve existing and future members and launched fixed rate products to the market in the second half of the year which proved successful. We will continue to grow in fixed rate mortgages as well as focusing on key niche areas which support higher margin growth in 2026 and beyond.

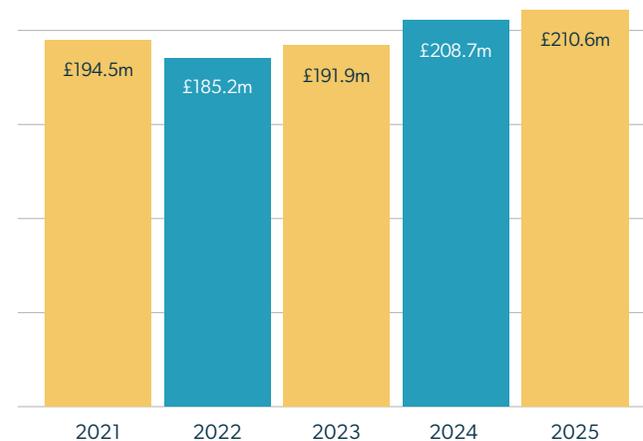
Total Mortgage Balances (gross of mortgage loss provision)



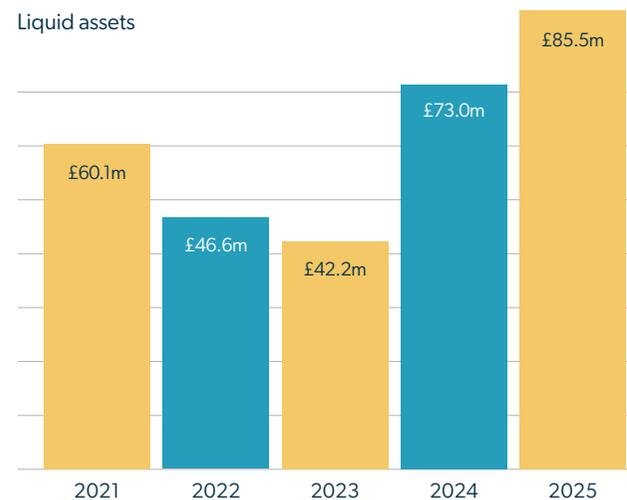
Shares and Borrowings

The Society has grown its savings balances to £210.6m in 2025 (2024: £208.7m). Despite having to pass some Bank of England rate reductions onto our savings members, our funding portfolio has increased in 2025 with our notice accounts and fixed rate bonds being very successful.

Shares and borrowings



Liquid assets



Liquidity

Liquidity was £85.5m at year end compared to £73.0m at the beginning of the year. The increase is due to the increase in our savings book to £210.6m (2024: £208.7m) and reduced lending. The strong liquidity position has resulted in the Society increasing the income from investments from £2.6m in 2024 to £3.2m in 2025.

	2025	2024
Liquidity Coverage Ratio	869.37%	965.00%

Summary Financial Statements

This financial statement is a summary of information from the audited annual accounts, full details of which can be found on our website or on request from our branch.

Results for the Year	2025	2024
	£000	£000
Net interest receivable	4,874	4,628
Other income and charges	74	111
Administrative expenses and depreciation	-3,936	-3,945
Provisions for loan impairment	-254	-248
Profit for the year before taxation	758	546
Taxation	-188	-127
Profit for the year	570	419

Statement of Other Comprehensive Income	2025	2024
	£000	£000
Profit for the financial year	570	419
Other comprehensive income		
Revaluation of freehold land and buildings	182	0
Total comprehensive income for the year	752	419

Financial position at the end of the year	2025	2024
	£000	£000
Assets		
Liquid assets	85,520	72,986
Mortgages	138,303	148,533
Fixed and other assets	1,814	1,463
Total assets	225,637	222,982
Liabilities		
Shares	200,148	196,895
Borrowings	10,421	11,843
Other liabilities	446	374
Revaluation reserve	402	220
General reserve	14,220	13,650
Total reserves and liabilities	225,637	222,982

Summary of Key Financial Ratios

	2025	2024
	%	%
Gross capital as a percentage of shares and borrowings	6.94%	6.64%
Liquid assets as a percentage of shares and borrowings	40.61%	34.97%
Profit for the year as a percentage of mean total assets*	0.25%	0.20%
Management expenses** as a percentage of mean total assets*	1.74%	1.83%

*Mean total assets are the average of the 2025 and 2024 total assets.

**Management expenses represent the aggregate of administrative expenses, depreciation and amortisation.

The Notes to the Accounts, below, form part of these accounts.

Approved by the Board of Directors on 24th February 2026 and signed on its behalf by:



Karen Wint Chair



Janet E Bedford Chief Executive



Sally E Hall Chief Financial Officer

Independent Auditors' Statement

on the Summary Financial Statement to the members of Beverley Building Society

We have examined the Summary Financial Statement of Beverley Building Society (the 'Society') set out on pages 24 and 25, which comprises the results for the year, the financial position as at 31 December 2025 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 Member 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's Welcome, the Chief Executive's Review, Directors' Remuneration Report, Summary Directors' Report and the other items listed on the contents page.

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 Beverley Building Society for the year ended 31 December 2025 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

PricewaterhouseCoopers LLP

24 February 2026



**Tuesday
21 April,
at 5.30pm**

Join our AGM in-person!

**This year, we are delighted to announce
The Beverley Memorial Hall,
for our AGM venue!**

73 -75 Laigate, Beverley, HU17 8HN

**SCAN HERE
to see this
years event
location!**



Beverley Memorial Hall was created to celebrate our town's heritage and to offer a vibrant space for community activities, cultural events, and shared gatherings. It feels like the perfect and most meaningful place to bring everyone together for this year's AGM.

We warmly invite all members to stay and enjoy tea and cakes following the meeting.

We look forward to spending this time with you!

- To submit your questions for this year's AGM, email AGM@Beverleybs.co.uk, providing your name and account number. All questions must be submitted by 5pm on **Thursday 16th April 2026** and will be answered by our Board members during the event.
- The enclosed voting form explains how you can cast your vote - whether through our dedicated online portal, by post, or in-branch. You're also very welcome to bring the form along to the AGM.

The AGM minutes will be uploaded to our website - www.beverleybs.co.uk - after the event, for members who are unable to be there.

Beverley Building Society

57 Market Place, Beverley HU17 8AA

T: 01482 881510

W: beverleybs.co.uk



The Society is a member of the Building Societies Association. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered Number 206064.