



Annual Review

For the year ended
31 January 2026

Have
your
say

AGM and
voting details
inside



Powered by purpose

Your vote counts

See pages 4 and 5 for information about our Annual General Meeting and how you can vote.



4.94/5



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Annual General Meeting

Notice of meeting

Notice is hereby given that the Annual General Meeting (AGM) of the Scottish Building Society (the 'Society') will be held on Wednesday 27 May 2026 at 2.00pm in The Get Together room at The Hoxton, 5–21 Grosvenor Street, Edinburgh EH12 5EF. Members will be asked to consider and vote on the resolutions below. Resolutions 1 to 3 (inclusive) will be proposed as ordinary resolutions and Resolutions 4 to 10 (inclusive) relates to the re-election and election of Directors:

Annual Report & Accounts

1. To receive the Directors' Report, the Annual Accounts, the Annual Business Statement and the Auditors' Report for the year ended 31 January 2026.

Directors' Remuneration Report

2. To approve the Directors' Remuneration Report set out on pages 42 and 43 of the Society's Annual Report & Accounts for the year ended 31 January 2026.

Re-appointment of the auditors

3. To re-appoint PricewaterhouseCoopers LLP as independent auditors of the Society to hold office until the conclusion of the next Annual General Meeting.

Re-election and election of Directors

4. To re-elect Paul Denton as a Director of the Society.
5. To re-elect Neil Easson as a Director of the Society.
6. To re-elect Sean Gilchrist as a Director of the Society.
7. To re-elect Andrew Hastings as a Director of the Society.
8. To re-elect Rosemary Hilary as a Director of the Society.
9. To re-elect Karyn Lamont as a Director of the Society.
10. To elect Graeme Hartop as a Director of the Society.

The Board unanimously recommend that you vote 'For' each of the Resolutions.

Dated 22 April 2026

By order of the Board
For and on behalf of Scottish Building Society

Derek Johnston
Chief Risk Officer & Society Secretary

Head Office:
193 Dalry Road
Edinburgh
EH11 2EF

Your vote counts



Have your say

Being a member of the Society means you are entitled to have a say in how it's run. Come along to our AGM at The Hoxton, Edinburgh on Wednesday 27 May, where you can cast your vote, meet the Board and other colleagues, and of course get to know other Society members.

Three easy ways to vote



Online by 22 May 2026

The quickest way to cast your vote is online at www.scottishbs.co.uk/agm. To go straight to the voting page online, you can scan the QR code on the front of the enclosed letter.



By post by 22 May 2026

Alternatively, you can **complete the enclosed Proxy Voting Form** and return it to us in the FREEPOST envelope provided. All votes must be with us – online or by post – no later than midnight on Friday 22 May 2026.



In person

If you are attending the AGM, you can vote in advance either online or by post, or you can vote in person on the day.

Please confirm your attendance by **completing section 2 of the enclosed Proxy Voting Form** or by letting us know via online voting.

Chair's welcome



A strong year in a challenging market

In my first annual report as Chair of the Society I am pleased to report, on behalf of the Board, that the Society has continued to build on the strong momentum from recent years to deliver an excellent set of results.

Mortgage and savings growth is ahead of the market, capital and liquidity remain very strong, and colleague and customer satisfaction levels are high. As expected, profit levels are lower as interest rates reduced and we continued to invest in modernising the business. The Society has also been widely recognised for its recent success through a number of industry awards.

With interest rates and inflation falling from recent highs, and incomes increasing, mortgage affordability has improved. In an extremely competitive market, the Society achieved its highest ever level of mortgage applications in 2025. Our core purpose is to support home ownership and we are delighted to have grown our mortgage portfolio by 7%, including more lending to first time buyers than ever before.

Savings balances grew by 4% in tough market conditions and we welcomed around 2,000 new savings members to the Society. We also grew our solicitors client product by 8% and completed the final repayment of funding received from the Bank of England under its Term Funding scheme (TFSME).

Our profit for the year adds to the Society's capital reserves, which are required to support continued membership growth; investment in new technology, products and services; and allows the Society to continue to support our members and the communities in which we operate.

Supporting our members and communities

Interest rates continued their downward cycle in 2025, with quarter point reductions in February, May, August and December taking Bank rate to 3.75% at the end of our financial year. We carefully consider the impact on both mortgage and savings members and aim to pass on reductions in a fair and balanced way.

We recognise that affordability continues to be challenging for some mortgage members, and we are committed to ensuring they are fully supported, with trained staff available to help and discuss appropriate forbearance options if needed.

For our savings members we aim to maintain a competitive proposition across our product range. This has supported strong growth in retail savings balances, particularly in our 'Saver Plus' limited access product and fixed rate ISAs. During the year we also expanded our product range with the launch of a regular savings product, designed to encourage members to get into the savings habit.

As a mutual organisation, we recognise the importance of supporting the communities in which we operate.

To mark our 175th year in 2023, we set up a charitable foundation in partnership with Foundation Scotland, with an initial donation of £175,000 to support good causes across Scotland. The Scottish Building Society Foundation has now run six successful funding rounds, awarding grants totalling over £150,000 to more than 40 charities across the country.

We encourage colleagues to volunteer with local charitable organisations and at the start of the year, we set ourselves a target to achieve 100 days of volunteering – and we are proud to have exceeded this. Many of our colleagues worked with charities supported by the Foundation, lending a hand and getting to see the impact of the grants awarded.

Our partnership with Edinburgh Rugby also provides fantastic opportunities to support communities across Scotland. Our 'Tackle Maths' programme has given over 1,000 schoolchildren access to an innovative educational initiative which, alongside our inclusive and walking rugby festivals, has increased our positive impact in the community.

The Board and our Annual General Meeting

Following three years of stability on the Board, there have been several changes this year and I am pleased that we have managed this through an orderly transition in line with our succession plans.

Our previous Chair, Ian Wilson, retired at the end of the financial year, and I would like to thank Ian for his outstanding contribution and service to the Society since his appointment. Ian was a great supporter of the mutual model and was a driving force behind the Society setting up a charitable foundation. He has steered the Society through a key phase of its strategic development, with a strong focus on modernising to remain relevant in a digital world, while remaining true to our mutual values. Ian leaves the Society in a strong position to move forward with the next phase of its journey.

With Sheila Gunn and Andrew Lee stepping down from the Board in September 2025, we are delighted to welcome Graeme Hartop. Graeme brings a wealth of experience in financial services, with a track record of strategic development and growth alongside strong alignment with our mutual values, and I look forward to working with him.



Our core purpose is to support home ownership and we are delighted to have grown our mortgage portfolio by 7%, including more lending to first time buyers than ever before.

Andrew Hastings
Chair

We are planning to hold our 2026 AGM on 27 May 2026 at The Hoxton hotel in Edinburgh. Full details of how to vote and attend the AGM are on page 5 and in the enclosed letter.

Looking forward

The escalating conflict in the Middle East increases uncertainty around the future path of interest rates and inflation. Coupled with low growth and continued uncertainty over the terms of international trade, the economic outlook remains challenging.

Our strong capital position, sound management and excellent service record give us confidence though that we can successfully navigate these challenges. We will also continue to invest in modernising and improving the efficiency of the Society, to further grow our membership and support future generations.

Lastly, I extend my sincere thanks to Paul, his leadership team, and all colleagues across the Society for their hard work and commitment during the last year, which enables us to move forward with purpose towards the Society's strategic goals.

Thank you for your continued support.

Andrew Hastings
Chair
25 March 2026

The year at a glance



Pre-tax
profit

£1.4m

(2025: £2.8m)

Gross mortgage
lending

£134.7m

(2025: £114.6m)

Net mortgage
lending

£40.0m

(2025: £36.7m)

Savings
growth

£24.5m

(2025: £97.4m)

Average savings rate
across all our
savings products

3.80%

80%

of mortgage members
stayed with us when their
initial mortgage product ended

Industry awards



Workplace awards

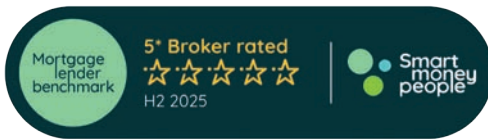


#15
Best Mid-Sized Company to work for in the UK



#4
Best Financial Service Company to work for in the UK

Customer experience awards



Certificate No:469432025



★★★★★
Excellent Customer Reviews
4.94 stars from 2,202 reviews

We are delighted with the fantastic ratings our members gave us via independent financial services review website, Smart Money People. Using a combination of online surveys and manual surveys completed in our Relationship Centres by members over a 12-month period, we achieved an overall rating of 98.8% for customer satisfaction†.

Fairly treated

4.98/5



Customer service

4.94/5



Value for money

4.79/5



†Data taken from 2,202 member responses submitted to Smart Money People, 01/02/2025 to 31/01/2026.

Q&A

with Paul Denton,
Chief Executive



Q. What are your highlights from 2025?

A. I have thoroughly enjoyed my role since joining the Society nearly seven years ago, but I can honestly say that 2025 has been the most satisfying year yet. As a member-owned organisation, founded to enable home ownership and provide a safe haven for savings, this year more than ever we have demonstrated the values that matter most to our members.

At the Annual General Meeting in May, members told us clearly that supporting home ownership, particularly for first time buyers, should remain our priority rather than moving into specialist areas such as Buy to Let. We listened carefully. In 2025 our lending to first time buyers more than doubled, representing 53% of our house purchase lending and making it our strongest year ever for helping members buy their first home.

Q. What else are we doing to support our members?

A. We have continued to listen closely to our members throughout the year. Many savings members told us they wanted to better understand how they could pass on their savings to their children and grandchildren, particularly considering changing inheritance tax rules.

In response, we held member events across our Relationship Centres, which attracted our highest ever attendance and received excellent feedback on both the speakers and the content.

A clear theme emerged from these conversations: members want to support the next generation and see the Society play a role in enabling that. You will see this reflected in our brand messaging through 2026 as we move towards a core purpose of 'Helping Generations Prosper'. This will guide our service, our products and our culture.

Q. What achievements are you most proud of this year?

A. I have been incredibly proud of our colleagues and the commitment they show every day. Their efforts have been recognised in several ways during the year.

For the second year running we were recognised by The Sunday Times as one of the best companies to work for in the United Kingdom, reflecting the strength of our culture and colleague engagement. Our service to members has also been recognised with the Gold Customer Satisfaction Badge and the Consumer Guardian Badge from Smart Money People, based directly on member feedback.



As a member-owned organisation, this year more than ever we have demonstrated the values that matter most to our members.

Paul Denton
Chief Executive Officer



We were also honoured to receive the Special Judges Award for Outstanding Contribution at the 2025 Scottish Financial Enterprise Awards. Not to mention an incredible triple win at the Scottish Mortgage Awards.

Q. How are we using technology to future-proof the Society?

A. The past year has reinforced that we must continue to prepare for change and technological advancements. Much of this work happens behind the scenes, including upgrading our core systems to strengthen operational resilience and updating our data, risk frameworks and policies so we can move forward confidently in an increasingly digital world.

We are also preparing to launch a new online and mobile service that will provide greater functionality and choice for members. Digital delivery of documents will become the default, although members will always have the option to continue receiving paper if they prefer. While we remain committed to our traditional values, we recognise that many members now prefer digital options. I should also reassure members that we have no plans to remove passbooks, which I am often asked about.

Q. What does the future look like for the Society and the mutual sector?

A. The future of the mutual sector has received encouraging support in recent years. Regulatory changes announced in December 2025, alongside positive reports from the Bank of England and the Financial Conduct Authority, will help create a more level playing field with banks and present opportunities for growth and diversification.

As the world's oldest remaining building society, we welcome the opportunity to move forward while remaining true to our purpose and values, always recognising that as a mutual we exist for the benefit of our members.

Q. Any final thoughts?

A. With customer service and colleague engagement both at an all-time high, it is only right that I close by thanking everyone across the Society. I have enormous admiration for the passion and commitment of our colleagues, and I am deeply grateful to our members for the trust they place in us to look after their savings and support their aspirations of home ownership.

Our community



In the year that marked the 250th anniversary of building societies, we also reached a significant milestone, reporting that the Society had doubled in size over the past five years. It was a year of well-earned recognition, with the Society receiving two Scottish Mortgage Awards: Later Life Lender of the Year and Excellence in Philanthropy. Our Chief Executive Paul Denton was also named Business Leader of the Year, recognising the impact of his leadership on our growth. We were also proud to maintain our strong external recognition, continuing to be rated Outstanding by colleagues in the Best Companies engagement survey and retaining our place on The Sunday Times Best Places to Work list. Read on to find out more – it has been a very busy, but extremely fulfilling, year.

2025 AGM

We held our AGM on Wednesday 28 May 2025 at the DoubleTree by Hilton in Edinburgh, with a fantastic turnout from members. It was a pleasure to see so many of you in attendance and engaging with thoughtful questions following the publication of our Annual Report & Accounts. We were also delighted to welcome Danielle Moore, Chief Executive of Dr Bell’s Family Centre in Edinburgh, who brought to life the impact of the funding received from the Scottish Building Society Foundation. This was all set against spectacular views of Edinburgh Castle and, thanks to the lovely weather, clear views across to Fife.



Edinburgh Rugby

In 2025, we further strengthened our partnership with Edinburgh Rugby, both on and off the pitch. Building on the success of our front-of-shirt sponsorship of the women’s team and our community programmes, we remained committed to inclusivity and growing the game across Scotland. With rugby clubs at the heart of their communities, we expanded our support for grassroots clubs and schools to help them thrive.

- Tackle Maths reached a major milestone, with over 1,000 pupils from across Scotland taking part since its launch in May 2023. By taking maths out of the classroom and onto the pitch at Edinburgh Rugby’s Hive Stadium, we continue to make financial literacy engaging and relevant for primary school pupils.

- We created unforgettable moments for young fans by giving junior players the chance to lead the first team out at Hive Stadium as the Society’s mascot.
- Our Win a Training Session competition returned for its fourth year, giving local clubs the opportunity to train with Edinburgh Rugby first-team players, including British and Irish Lions Duhan van der Merwe and Pierre Schoeman. To date, more than 1,000 young players from clubs across Scotland have taken part.
- Our annual Scottish Building Society Inclusive Rugby Festival brought together over 500 players to celebrate diversity and inclusion. We also once again hosted our Walking Rugby tournament at Hive Stadium, welcoming seven teams and showcasing the growing popularity of this fun, accessible format.
- We evolved our Player of the Month initiative, so each winner donates their £500 prize to a grassroots club. October’s winner, Scotland international Ewan Ashman, donated his prize to Highland Rugby Club, helping fund their café space – a hub for friendship, inclusion and community connection.





Backing financial education

We're passionate about helping young people build confidence in managing their money. That's why we were delighted to continue our partnership with digital learning specialist ITZA.

Designed to help school teachers explore climate change and protecting the planet, the programme - The One Planet Challenge - also brings financial education to life, showing young people how savings and investments connect to everyday life and the future of our planet. To raise awareness, we even featured in a television advert on STV in May and September - an exciting moment for us.

More recently, we've supported a new digital learning module, helping children to understand the importance of saving, how pensions work, and the basics of mortgages. As the savers and homeowners of the future, equipping young people with financial knowledge is vital and we're proud to support that learning in an engaging, interactive way.

Our Colleagues

Throughout the year, we have remained committed to our People First culture, ensuring colleague experience and development sit at the heart of how we lead and run the Society. We were delighted to maintain our external recognition, including an Outstanding rating in the Best Companies annual engagement survey and our place on The Sunday Times Best Places to Work list.

This reflects our continued focus on supporting colleagues to grow through role changes and progression opportunities, alongside welcoming new external talent to bring fresh skills and perspectives, and investing in management training that champions purposeful, people-centred leadership.

100 days of volunteering

In 2025, we set ourselves a goal to complete 100 Days of Volunteering and we're proud to say we achieved it. Throughout the year, colleagues from across the Society rolled up

their sleeves to support charities backed by the Scottish Building Society Foundation.

From practical tasks like cleaning caravans and tackling end-of-season jobs, to sorting baby clothing bundles, refreshing community spaces, repainting facilities and lending practical support, colleagues made a tangible difference to charities across Scotland.

We're incredibly grateful to all the charities for such a warm welcome. It's a privilege to support their missions and to play even a small part in the vital work they do in our communities.

Our Relationship Centres

Throughout the year, we hosted a series of events in our Relationship Centres, where members heard from experts on topics including fraud and scam prevention, pensions, inheritance tax and future planning. More than 100 members attended events across our centres in Scotland, and we look forward to continuing this programme throughout 2026.

We also supported UK Savings Week in partnership with the Building Societies Association, an initiative that highlights the benefits of saving and encourages people to set money aside, whatever the amount. Our Savings Barometer research shows that almost half of respondents reported a decrease in their savings over the previous year, reinforcing the importance of starting conversations about saving and helping to build financial resilience in households across the country.



By working together,
we can build a stronger,
more supportive
community, where
everyone can thrive.

Suzanne Williamson
Chief Marketing Officer



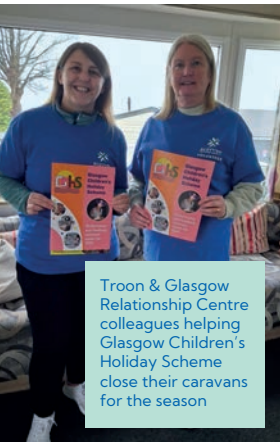
Our senior leadership team helping to paint Portobello Town Hall



Our mortgage underwriting team volunteering at Bridgeton Community Learning Campus' community fair



Our risk team freshening up the clubhouse and grounds at Forth Canoe Club



Troon & Glasgow Relationship Centre colleagues helping Glasgow Children's Holiday Scheme close their caravans for the season



The people behind the Society – our Colleague Day in September



Inheritance tax and planning for the future member event at Aberdeen Relationship Centre



Listening, learning, and looking ahead – our Colleague Day in September

Scottish Building Society Foundation

As a mutual organisation, we understand the importance of strong local communities and the role they play in supporting financial wellbeing and social connection. Through the Scottish Building Society Foundation, we are proud to invest in initiatives that help communities thrive and create lasting, positive impact.

Over the past year, the Foundation has continued to make a meaningful difference across Scotland, supporting projects that improve local facilities, open new opportunities, and promote inclusion and wellbeing. It has been inspiring to see how these grants are helping community organisations bring people together and deliver tangible benefits where they are needed most. The Society remains firmly committed to continuing this support throughout 2026.

For the year ended 31 January 2026, the Scottish Building Society Foundation awarded £25,000 in funding to community groups and charities across Scotland. Eight community initiatives received grants of up to £5,000, enabling them to deliver positive and practical outcomes in their local areas.

Since its launch in 2023, the Foundation has supported more than 40 charities, with funding reaching communities across Edinburgh, Glasgow, Perth and Kinross, Clackmannanshire, Stirling and the Scottish Borders.

Organisations supported in 2025 included **Forth Canoe Club** in Edinburgh, which received funding for adaptive hand grips, buoyancy aids and a trailer to support inclusive canoeing opportunities for people with disabilities. In Clackmannanshire, **Ochil Trail Association** was awarded a grant to help meet insurance costs associated with maintaining popular mountain bike and shared-use trails across Clackmannanshire and Stirling.

In Glasgow, **Bridgeton Community Learning Campus** used funding to improve the energy efficiency of its community centre heating system, while **The Birks Cinema Trust** in Perth and Kinross received support for its social inclusion and community engagement activities.



Further grants enabled **Works+** in the Scottish Borders to upgrade its IT equipment, helping to improve digital skills and employability for young people, and supported **Trossachs Tigers Hockey Club** in Stirling to launch an indoor hockey programme for children in rural areas. The Foundation also provided funding to **Duntocher Village Hall** to carry out essential repairs to its wooden floor, helping to ensure the space remains available for the local community.



Each week, we see first-hand the positive impact that hockey has on all the children who take part, enabling them to exercise and spend time with their friends outside of school in a fun and safe environment.

It's so disappointing when you have to cancel a session due to the weather, but sometimes you have no choice. We knew that if we were to have a full year of training sessions without interruption, we would need to look at an indoor programme.

But that comes at a cost too. It meant we needed new equipment, new safety gear, and had to cover the cost of venue hire also, which is why we sought funding from the Scottish Building Society Foundation.

Rob Latimer
Trossachs Tigers Hockey Club
Head Coach



Grants awarded in the year ended 31 January 2026:

- 1 Bridgeton Community Learning Campus, Glasgow**

Contribute towards the replacement of a commercial boiler at its community centre in the East End of Glasgow to continue delivering and hosting a range of activities for people of all ages.
- 2 Duntocher Village Hall, West Dunbartonshire**

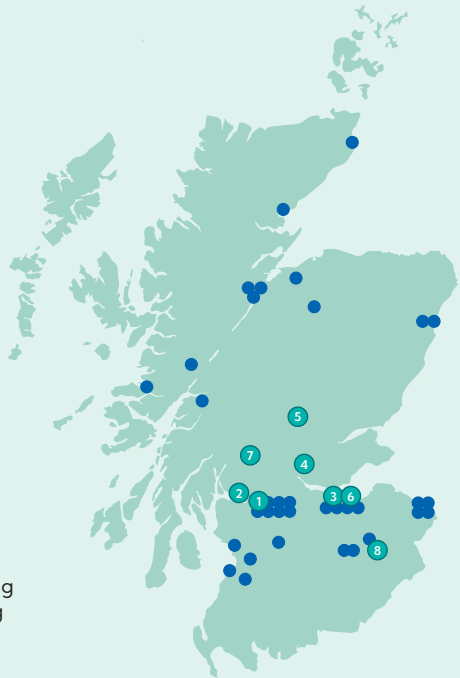
Fund essential repairs to the main hall's wooden floor, improving safety for various activities and services, whilst offsetting the loss of revenue during closure.
- 3 Forth Canoe Club, Edinburgh**

Fund a small box trailer, adaptive hand grips and buoyancy aids for a group aimed at teaching canoeing and kayaking to individuals with disabilities, enhancing their skills.
- 4 Ochil Trail Association, Clackmannanshire**

Costs towards insurance to support maintenance of mountain bike and shared use trails in Clackmannanshire and near Stirling.
- 5 The Birks Cinema Trust, Aberfeldy**

Help support a programme of community activities that enhance wellbeing and promote social inclusion.
- 6 The Very Inclusive Play Club, Edinburgh**

Contribute to the Help Our Little Stars Shine project at Bridgend Farmhouse, covering staff time, adapted toys, resources, volunteer expenses, and refreshments for weekly sessions. It will also support a transition-to-school programme.



- 7 Trossachs Tigers Hockey Club, Stirling**

Contribute towards equipment and facility hire to establish a new indoor hockey programme for children in rural Stirling, increasing access to inclusive sports participation and physical activity.
- 8 Works+, Galashiels**

Help upgrade outdated IT equipment at the Galashiels base, including laptops, desktop computers and a projector, helping to improve digital literacy and employability for local young people.
- Previous grants awarded from 2023–2025**

Our impact



The Board is committed to operating a sustainable business that works in a socially responsible and environmentally friendly way.

Neil Easson
Finance Director

We are committed to securing a sustainable future by supporting local communities and by playing our part in responding to the impact of climate change.

Supporting homeowners

As a mortgage provider, we want to help our members understand how to make their homes as energy efficient as possible.

- Our partnership with **Snugg** gives our members access to a personalised energy-saving plan that can reduce their emissions and cut energy bills.
- Our partnership with **GreenFox Energy** provides members with a discount on the design, purchase and installation of solar panels on their homes, allowing members to reduce their energy bills as well as their carbon footprint.



You can find out more by visiting www.scottishbs.co.uk/together or by asking our team in any of our Relationship Centres.

Climate sustainability

- We commissioned a full carbon footprint report, providing detail on emissions from our properties (gas and electricity), business travel and colleague commuting, helping us to identify where we can reduce emissions.
- We have developed a sustainable procurement policy, sustainable travel management system and a new environmental policy.
- We are proud to have achieved ISO 14001 – the international standard that helps organisations improve their environmental performance.
- We have installed EV chargers for colleagues and visitors at our Edinburgh Head Office.

Engaging with policymakers to support our members

In December 2025 we hosted a three-day exhibition at the Scottish Parliament, giving us the opportunity to engage directly with MSPs and advisers on issues affecting the Society and our members.

During the week, our team – including Chief Executive Paul Denton – met with nearly a quarter of all MSPs, alongside Cabinet Secretaries, Ministers and their advisers.

Discussions focused on how we support homeowners looking to improve and decarbonise their homes, our commitment to savers and communities through our branch network, and the wider opportunities and challenges facing building societies.

The event strengthened relationships across Parliament and Government, building understanding of the Society's priorities and supporting better outcomes for savers.



Meet your Board of Directors

Your Board brings together a wealth of expertise and experience from across the financial sector, and collectively are responsible for the Society's performance and future success.



Join the Board at the AGM

Your vote counts. Have your say in how the Society is run by joining us at the AGM in Edinburgh on 27 May.

We'd love to see you there. However if you can't make it, you can still cast your vote online or by completing the enclosed voting form. You can find further details on page 5.

Andrew Hastings, Chair



Andrew Hastings
Chair
Chair of Nomination & Governance Committee

Appointed in July 2019

"After graduating from Dundee University, I began my career in banking with RBS. I went on to specialise in corporate & investment banking with BNP Paribas and completed my executive career as CEO at Barclays Bank Ireland plc. I am a Chartered Banker, Fellow of the Institute of Bankers in Ireland, Chartered Director and a Certified Bank Director.

Since 2015, I have been an Independent Non-Executive Director of a number of businesses in the financial services and utilities sectors."

Board committees:

Chair of Nomination & Governance Committee

Board Whistleblowing Champion

Other roles:

Mars Capital Finance Ireland DAC

Maybole Community Council



Rosemary Hilary
Chair of Remuneration Committee

Appointed in November 2022

"I am an experienced Non-Executive Director, a qualified accountant and a risk professional. My executive career was in financial services, largely covering banking and regulation. I started banking at Girobank before taking on a number of senior roles at the Bank of England and the Financial Services Authority. I then moved to TSB in 2013 as Chief Internal Auditor, which saw me part of the team that led the Initial Public Offering. My specialist knowledge includes audit, risk, business model analysis and strategy.

My previous Non-Executive roles include St. James's Place, Vitality Life, Vitality Health, Pension Protection Fund, Record Currency Management and the homelessness charity Shelter."

Board committees:

Chair of Remuneration Committee
Member of Audit Committee
Member of Board Risk Committee
Interim Senior Independent Director

Other roles:

Willis Ltd
The King's Foundation



Kathryn (Karyn) Lamont
Chair of Audit Committee

Appointed in May 2018

"I am a Chartered Accountant and former audit partner at PwC. I have over 30 years of experience and I've provided audit and other services to a range of clients across the UK's financial services sector including to a number of banks and building societies. My specialist knowledge includes financial reporting, audit and controls, risk management, regulatory compliance and governance."

Board committees:

Chair of Audit Committee
Member of Board Risk Committee
Member of Nomination & Governance Committee
Member of Remuneration Committee

Other roles:

The North American Income Trust plc
The Scottish American Investment Company plc
Iomart Group plc
The Golden Charter Trust



Sean Gilchrist
Chair of Board Risk Committee

Appointed in June 2021

“My career spans over 30 years in the financial services industry, with more than 20 years in digital.

Previously I was the CEO of Nomo, a digital start-up bank serving customers from the GCC region in the Middle East. Before that I was Chief Digital Officer of the Co-operative Bank leading their transformation to become the “digital ethical bank”. I also worked at both Lloyds and Barclays banks leading, growing and transforming their digital services across the retail, wealth and corporate banking sectors.”

Board committees:

Chair of Board Risk Committee

Other roles:

- Amishane Ltd
- FCMB/Rova
- The British Medical Acupuncture Society



Graeme Hartop

Appointed in October 2025

“I am a Chartered Accountant with more than 30 years’ experience in financial services, leading both Executive and Non-Executive teams through strategic growth and transformation.

I began my career in audit with Arthur Young in Edinburgh before joining Adam & Company in 1988, then an ambitious new banking start-up. I went on to spend nearly two decades with Scottish Widows Bank, helping to launch the bank as Finance and Operations Director and later stepping into the CEO role in 2003. After a decade at the helm, I moved on to establish and lead the private bank Hampden & Co.”

Board committees:

- Member of Audit Committee
- Member of Board Risk Committee
- Member of Remuneration Committee

Other roles:

- Leuchie
- Edinburgh Academical Football Club
- Raeburn Place Foundation



Paul Denton
Chief Executive Officer

Chief Executive Officer since July 2019

"I have over 35 years' experience in financial services. I began my career with the Royal Bank of Scotland holding various senior positions before moving to the Co-operative Bank as Director for Branch, Mortgages and Business Banking.

Before joining Scottish Building Society, I was Managing Director, Operations, of the UK's largest funeral business, Co-op Funeralcare."

Management committees:

Chair of Operational Risk Committee
Chair of Executive Committee

Other roles:

SBS Mortgages Ltd
BSA Pension Trustees Ltd
Chartered Banker Institute
FCA Smaller Business Practitioner Panel
Scottish Rugby



Neil Easson
Finance Director

Finance Director since April 2020

"I am a Chartered Accountant with 30 years' experience in financial services. I held a range of senior finance positions in Lloyds Banking Group before joining Scottish Building Society in January 2019.

In my role as Finance Director, I am also responsible for the Society's Retail Credit teams."

Management committees:

Chair of Asset & Liability Committee
Chair of Retail Credit Committee

Other roles:

SBS Mortgages Ltd
Museums Galleries Scotland

Our members

Our commitment to you

Our members are at the heart of everything we do, and having shaped our rich heritage, it's with the future in mind that we are committed to ensuring that each and every member feels valued, supported, and part of something bigger.

We believe that together, we count for more, and that's why we launched **Become. Belong. Benefit.** – reinforcing that commitment to you. By working together, we can build a stronger, more supportive community, where everyone can thrive.



Become.

When you join Scottish Building Society, you're not just opening an account, you're becoming part of a community. As a mutual organisation our members are our owners which means your membership isn't just a transaction, but a relationship where your needs, goals, and aspirations matter. Our member surveys allow you to provide feedback on what matters most to you, and you can vote on important decisions at our AGM in May.



Belong.

Be part of a community. Being a member with us is about more than just financial services – it's about belonging to an organisation that truly cares. We're committed to building a vibrant community where members can connect, share experiences, and support one another. For over 175 years our members have been helping people save money and buy their homes. Together, we're creating something different to banking – we're building a place where people matter.



Benefit.

Enjoy our rewarding member benefits and products. As a member, you have access to a wide range of exclusive benefits. From member-only savings rates and mortgage products to events and rugby tickets.

To find out more, visit www.scottishbs.co.uk/together

Financial Information



Summary Financial Statement

This financial statement is a summary of information in the Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on request at every office of Scottish Building Society from 1 May 2026 or available to read or download from our website www.scottishbs.co.uk from the same date.

Summary Directors' Report

The Summary Directors' Report comprises the Chair's Welcome on pages 6 and 7 and the Chief Executive's Review on pages 10 and 11. The Directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future. For this reason, the Accounts continue to be prepared on the going concern basis.

Summary of Key Financial Results & Ratios

	2026	2025
SOCIETY RESULTS FOR THE YEAR	£000	£000
Net interest receivable	14,469	14,660
Other income and charges	(137)	123
Administrative expenses	(12,907)	(12,139)
Operating profit before movements in acquired assets and impairment losses	1,425	2,644
Net increase in value of acquired assets	-	10
Impairment release on loans and advances	-	125
Impairment of Land & Buildings	(24)	-
Operating profit before tax	1,401	2,779
Taxation	(395)	(739)
Profit for the year	1,006	2,040
SOCIETY FINANCIAL POSITION AT END OF YEAR	£000	£000
ASSETS		
Liquid assets	264,166	284,185
Derivative financial instruments	1,783	4,823
Mortgages	612,213	572,220
Fixed and other assets	4,794	5,248
Total Assets	882,956	866,476
LIABILITIES		
Shares	612,871	588,349
Borrowings	219,123	229,370
Derivative financial instruments	2,548	1,453
Other liabilities	2,182	2,099
Reserves	46,232	45,205
Total Liabilities & Reserves	882,956	866,476

SUMMARY OF KEY FINANCIAL RATIOS

	%	%
1. Gross capital as percentage of shares & borrowings	5.56	5.53
2. Liquid assets as percentage of shares & borrowings	31.75	34.75
3. Profit for the year as percentage of mean total assets	0.12	0.25
4. Management expenses as percentage of mean total assets	1.48	1.51

The Summary Financial Statement is prepared on an unconsolidated basis.

1. The **gross capital ratio** measures the proportion which general reserves bear to liabilities (ie holders of shares and deposits). Capital consists of the profits accumulated by the Society over more than 175 years which represents continuing financial security for members and substantial protection from adverse market conditions in the future.
2. The **liquid assets ratio** measures the proportion of the Society's shares and borrowings which are held in the form of cash, short-term deposits and securities readily realisable into cash. Liquid assets are maintained at an appropriate level to meet investors' withdrawals from their accounts, to make new mortgage loans and to fund general business activities.
3. The **profit/assets ratio** measures the proportion which the profit after taxation for the year bears to the average balance of the assets held during the year. A society needs to make a reasonable level of profit each year in order to maintain a strong gross capital ratio thereby protecting investors' funds. The Directors believe the profit for the year is consistent with the aims of mutuality.
4. The **ratio of management expenses to mean total assets** measures the proportion which the Society's administrative expenses (including depreciation and amortisation) bears to the average of the Society's total assets at the start and end of the year.

Approved by the Board of Directors on 25 March 2026

Andrew Hastings
Chair

Paul Denton
Chief Executive

Neil Easson
Finance Director

Key performance indicators 2022–2026

The Board and management monitor a range of performance indicators to assess the ongoing health of the Society. The table below provides a summary of these indicators for the last five financial years.

Total Assets: The value of all the assets in the Society's balance sheet, consisting primarily of Mortgage Assets and Liquid Assets held to meet potential outflows, these have increased by 2%.

Mortgage Assets: The total value of mortgage advances provided to customers. One of the key reasons for the Society's existence is to promote home ownership through mortgage lending. During the past year Mortgage Assets have increased by 7%.

Retail Savings Balances*: The total value of retail savings balances held by the Society. Another key reason for the Society's existence: to encourage saving. The growth in Retail Savings Balances during the past year was 4%.

Net Interest Margin: The income generated by the Society from its operations, expressed as a percentage of mean total assets. This has decreased from 1.82% to 1.65% in the year due to the impact of falling interest rates as well as competitive pressures in the mortgage and savings markets.

Management Expenses Ratio: This ratio measures the total costs of running the Society as a percentage of mean total assets and is an established measure of efficiency.

Profit Before Tax: Ensuring that the Society makes a profit to demonstrate the sustainability of its business model and build financial resilience is a key requirement, and this has been achieved with Profit Before Tax (PBT) of £1.4m in the current year. The decrease in PBT from £2.8m in the prior year is due to a lower Net Interest Margin and the impact of higher costs relating to investment in the business, partly offset by additional income from the growth in Total Assets.

Reserves: The accumulated profits of the Society over more than 175 years of operation, which provide the capital which helps to maintain the Society's financial strength. These have increased by £1.0m in the year through the addition of the year's profit after tax.

Liquidity: Total cash and investments held by the Society at the year-end, expressed as a percentage of shares and borrowings. This has decreased by 3 percentage points in the year but remains at a level well above regulatory requirements.

	2022	2023	2024	2025	2026
Total Assets (£m)	592.8	644.6	740.7	866.5	883.0
Mortgage Assets (£m)	453.7	496.1	535.5	572.2	612.2
Retail Savings Balances (£m)*	391.7*	418.2	490.9	588.3	612.9
Net Interest Margin (%)	1.72	1.97	2.15	1.82	1.65
Management Expenses Ratio (%)	1.34	1.44	1.52	1.51	1.48
Profit Before Tax (£m)	2.4	3.3	4.0	2.8	1.4
Reserves (£m)	37.4	40.1	43.1	45.2	46.2
Liquidity (%)	24.0	22.4	27.9	34.8	31.8

*Retail Savings Balances is an alternative performance measure which reflects 31 January 2022 share balances adjusted to exclude Solicitor Client Accounts following changes to the product Terms and Conditions in April 2022.

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

We have examined the Summary Financial Statement of Scottish Building Society (the 'Society') set out on pages 26 and 27, which comprises the results for the year, the financial position as at 31 January 2026 and a summary of key financial ratios.

Respective responsibilities of directors and auditors

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

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

We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Annual General Meeting, Chair's Welcome, The Year at a Glance, Q&A with Paul Denton, Our Community, Our Impact, Meet your Board of Directors, Our Members, Key Performance Indicators and Directors' Remuneration 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 Scottish Building Society for the year ended 31 January 2026 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
25 March 2026

Directors' Remuneration Report

The purpose of this report is to inform members of the Society, in line with the relevant provisions of the Code, of the policy for determining the remuneration of Executive and Non-Executive Directors. The Society has adopted a Remuneration Policy which meets the applicable requirements of the Remuneration Code issued by the financial services regulators.

A statement of all Directors' Remuneration is included within this report. An advisory vote on Directors' Remuneration is included in the AGM agenda.

As a mutual organisation, the Society has no share option scheme and none of the Directors has any beneficial interest in, or any rights to subscribe for, shares in or debentures of any connected undertaking of the Society.

Procedure for developing policy on executive & individual director remuneration

The Board has overall responsibility for overseeing arrangements for remuneration. This is done through the Remuneration Committee.

The Committee reviews remuneration for Directors annually, using data from comparable organisations and taking advice from external consultants when appropriate.

Non-Executive Directors

Non-Executive Directors receive a fixed annual base fee. In addition to the base fee, members of the Board of Directors receive an annual fixed fee for service as a Chair of a Board Committee. The level of fees payable to Non-Executive Directors is assessed at least every three years and will consider as a minimum market information, data from comparable organisations and the Society's colleague pay award.

Fees for Non-Executive Directors are non-pensionable and Non-Executive Directors do not participate in any bonus or incentive schemes or receive any other benefits apart from reimbursement of expenses incurred in the execution of their duties as Directors.

Executive Directors

The basic salaries of the CEO and Finance Director are reviewed annually by reference to jobs carrying similar responsibilities in comparable organisations and by reference to market conditions, personal performance and the Society's colleague pay award.

Their contracts with the Society include a non-pensionable executive bonus scheme which is payable dependent on the Society's performance and the individual's personal performance measured against a number of specific objectives, including strategy, business performance, risk management and corporate governance. No single factor can therefore unduly influence the amount of bonus payable. Bonus payments are not guaranteed and are reviewed each year.

Executive Directors in office as at 31 January 2026 are entitled to receive pension contributions to their private pension arrangements, although depending on their individual circumstances they may be paid a pension replacement amount. Pension contribution rates are aligned with those available to the workforce. Executive Directors also receive a further taxable benefit comprising a Society car, or car allowance.

Service contracts

Executive Directors have service contracts with the Society which can be terminated by either side giving six months' notice.

Non-Executive Directors do not have service contracts but serve under letters of appointment subject to election by the Society's members.

Non-Executive Directors (Audited)

Fees only

	For the year ended 31 January 2026	For the year ended 31 January 2025
Ian Wilson (retired January 2026)	£53,681	£50,769
Andrew Hastings	£40,603	£39,086
Sheila Gunn (retired September 2025)	£24,982	£35,804
Kathryn (Karyn) Lamont	£37,590	£35,804
Sean Gilchrist	£33,958	£30,292
Andrew Lee (retired September 2025)	£21,272	£30,292
Rosemary Hilary	£33,880	£30,292
Graeme Hartop (appointed October 2025)	£10,753	–
Total	£256,719	£252,339

Executive Directors (Audited)

For the year ended 31 January 2026

	Salary	Bonus	Pension Contributions	Taxable Benefits	Total
Paul Denton	£284,496	£55,647	£8,535	£8,074	£356,752
Neil Easson	£178,815	£34,976	£5,364	£5,661	£224,816
Total	£463,311	£90,623	£13,899	£13,735	£581,568

For the year ended 31 January 2025

	Salary	Bonus	Pension Contributions	Taxable Benefits	Total
Paul Denton	£275,560	£53,507	£8,267	£8,079	£345,413
Neil Easson	£173,199	£33,631	£5,196	£5,665	£217,691
Total	£448,759	£87,138	£13,463	£13,744	£563,104

Pension contributions paid by the Society were in respect of money-purchase pension schemes or cash allowances in lieu of pension.

Rosemary Hilary
Chair of Remuneration Committee
 25 March 2026

Relationship Centres

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0333 207 4007

Lines are open 9am to 5pm Monday
to Friday (10am on Wednesdays).
Calls may be monitored and/or recorded



Head Office: SBS House, 193 Dalry Road, Edinburgh EH11 2EF.

Scottish Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Register No. 206034). Member of the Building Societies Association and UK Finance.