

# Annual Report and Accounts 2025



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# Strategic Report

for the year ended 31st December 2025

## Chairman's address



John Spence, Chairman

In 2025 we celebrated the 175th anniversary of The Cambridge Building Society, and I am delighted to report that our performance marked that historic milestone.

There were pleasing results across all aspects of our work. Customer satisfaction reached a five-year high, while our rating among intermediaries – so important to us in terms of mortgage performance – increased significantly. Our people are at the heart of all we do; their engagement remained high and turnover remained low.

I reported previously that our strong financial performance in recent years had provided the platform for growth. That growth was delivered in 2025, with new lending up 42% as a result of which our mortgage book grew 10%. We achieved profit before tax in excess of £10m, maintaining a level of profitability not seen before the last five years, and we were able to repay the government's TFSME funding early. We remain well placed to sustain our ambitions.

Of course, we must never be complacent and continuing innovation is critical to the health of any organisation. Last year we upgraded our app, further enhanced our technology platform, enabled more customers to access more products online, and also – reflecting the importance to us of our branch network – relocated the Melbourn branch to the Melbourn Hub. We are committed to finding new ways to enhance our customer offering, partly by gaining every bit of intelligence we can from what others are doing.

As noted at the start of this report, 2025 was our 175th anniversary and the range of celebratory initiatives was impressive. These are listed elsewhere but I particularly appreciated our 'design a coin' competition for schoolchildren, organised in partnership with the Royal Mint, and our celebratory evening with cornerstone Cambridge institutions and companies. Particularly noteworthy were the £175,000 of donations to Cambridge-based charities and community partners and our £1m investment in Greater Cambridge Impact.

I am particularly mindful that all these initiatives were undertaken by our highly committed staff, in addition to and without detriment to their normal duties, and to all of them the appreciation of our board cannot be overstated.

At a personal level, I offer my thanks to our Board, the Executive team headed by Peter Burrows, and our terrific team of Non-Executive Directors. They are always ready to give me advice and guidance, which I need to enhance my leadership. There was one change to Board membership last year, with Stephen O'Donnell joining the Board following the retirement of Andy Rice.

It remains a unique privilege to serve The Cambridge Building Society, an organisation that does not just talk about values, but consistently lives by them.

## John Spence

Chairman  
17th March 2026

## Chief Executive's report



Peter Burrows, Chief Executive

## Strategic overview and priorities

The Cambridge aims to be a thriving, independent, mutual business. 2025 was another successful year for the Society:

- We continued to deliver excellent customer service. Our overall 'service index', a weighted average basket of customer satisfaction measures, achieved a five-year high.
- Investing in our people and being an employer of choice is important to us. We participated in the bi-annual 'Best Employers Eastern Region' process, receiving a silver accreditation that placed us in the top 30 of participating businesses.
- New lending of £434m increased 42% in 2025, resulting in mortgage book growth of 10%. Profitability returned to sustainable steady state levels, with Profit Before Tax of £10.8m

- We continued to devote ourselves to making a difference in the local community, marking our 175 year anniversary with a £1m investment in Greater Cambridge Impact, a social investment fund aimed at tackling inequality in our region.

The year was characterised by significant political volatility across the world. Our strong customer service, high integrity culture and financial resilience stand us in good stead to continue to thrive, but we in no way underestimate the potential economic challenges that may lie ahead.

## Service quality

Our commitment to customer service levels is of paramount importance and we monitor our performance via independent surveys of customers. Our 'service index', a weighted average basket of measures, including our net promoter score, a widely recognised measure of customer advocacy, were both higher than at any time in the past five years.

Key measures of customer satisfaction over the year include:

- 96% of customers said service had improved or remained the same (96% in 2024)
- 94% of customers said The Cambridge met or exceeded their expectations (95% in 2024)
- 82% of customers said they were extremely or very satisfied with the service they received (81% in 2024)
- 85% of customers said they would definitely remain a customer with The Cambridge over the next 12 months (87% in 2024)
- Our Net Promoter Score was +54 (+50 in 2024)

We remain committed to offering members flexibility so that they have the choice as to how they want to interact with us: in person on the high street, over the telephone, or digitally via app and web services. In 2025 we delivered a fundamental upgrade to our app, including account opening functionality, making it a central plank of our service offer. We also extended our online service capability to 18,000 more accounts.

We ended the year with 124,884 members, a decrease of 110 on the prior year.

## Economic climate

The Bank of England continued to reduce Base Rate last year, with four rate cuts over the year resulting in a year-end rate of 3.75%.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.6% over 2025. Inflation continues to be well above the Bank of England's long-term target of 2%, and we remain acutely conscious that inflation in recent years has created significant cost pressure for our people, our members and the wider economy. The general economic outlook remains sluggish, with GDP forecast to grow by 1.5% on average over the next five years according to the OBR's November 2025 economic and fiscal outlook statement.

The outlook for Cambridge and its surrounding areas, where the Society has a natural concentration of business, is more positive. The government has set out its ambition to maximise the full economic potential of Greater Cambridge, with the Cambridge Growth Company established to bring together key partners to help deliver this ambition. In October 2025, Government confirmed an initial £400 million in funding. We wholeheartedly support this initiative, and we urge Government to ensure that Cambridge is developed in a sympathetic way that recognises the historic significance of our city and creates opportunities for local people, as well as delivering economic growth on a nationally strategic basis.

## Mortgages

The housing market was uneven over the year, with a concentration in transactions prior to the 31st March change in stamp duty rules and a corresponding lull in the second quarter. Aside from this change, the seasonally adjusted volume of housing market transactions was broadly flat, with average house prices rising by around 2.4% over the year.

Against this backdrop the Society had a particularly strong year. New mortgage lending was the highest in the Society's history at £434m, up 42% on 2024. This reflected investment in our internal processes, such as improved and more customer friendly identity verification, and a more comprehensive product range, including entering the limited company buy to let mortgage market in October 2025.

# Strategic Report

for the year ended 31st December 2025 (continued)

The Society has a long standing partnership with Roma Finance, which allows their customers to access bridging finance and specialist buy to let products, and during the year we established a new commercial lending partnership with Arbuthnot Latham. Such partnerships allow us to enter non-core lending markets at lower risk.

Retention was also strong, with over 70% of existing borrowers who spoke to us at the end of their existing mortgage deal choosing to switch to a new mortgage product with us. Overall, our mortgage balances grew by 10% to £1.75bn.

Like many mortgage providers, we distribute a significant proportion of our mortgages via independent intermediaries. We invest in strong ongoing relationships and are pleased to note improved advocacy among intermediaries this year:

- 91% of intermediaries said they were extremely or very satisfied with the service they received (77% in 2024)
- 93% of Intermediaries said they would probably or definitely continue using The Cambridge over the next 12 months (92% in 2024)
- Our Intermediary Net Promoter Score was +67 (+49 in 2024)

## Savings and deposits

Consumers remained committed to saving during 2025, and whilst the ONS estimate of savings ratio trended downwards over the year it was typically around 10%. During the year, Government announced that the limit for Cash ISAs would fall from £20,000 to £12,000 for the under 65s from April 2027. This is disappointing news for many responsible savers, whose circumstances are typically not suited to investment products such as Stocks and Shares ISAs, and use their Cash ISA as a tax-efficient savings vehicle. In contrast, the increase in the size of balances covered by the Financial Services Compensation Scheme from £85,000 to £120,000, was welcome and gives savers additional peace of mind.

During the year the Bank of England cut the Base Rate four times, each by 0.25%, and this naturally impacts the savings rates available to consumers. We are conscious of the impact on our customers and work hard to maintain competitive rates. The final rate cut was announced shortly before Christmas and thus did not significantly impact 2025; but in terms of the impact of the first three rate cuts, the average variable savings rate we paid to our customers reduced by 0.46%, less than the 0.75% fall in bank rate. We continue to offer enhanced arrangements for loyal customers, for example our Extra Reward Regular Savings Account, which allows customers to make regular savings of up to £300 per month and earn an interest rate of 6%.

During the year, our Notice and Instant Access accounts were added to the list of those that can be opened online and we once again supported the UK Savings Week. A number of our savings products continue to be available on the Insignis platform, broadening our savings reach.

Our net savings account inflows for 2025 were £58m, resulting in a 7% increase of savings share balances to £1.85bn (2024: £1.73bn).

## Financial performance

The Society recorded another set of robust financial results. Profit Before Tax of £10.8m (2024: £11.4m) was a little lower than last year as profit trended to steady state levels, prior years having been positively impacted by positive financial market returns.

Capital reserves of £141m and liquidity assets of £356m are both healthy and well in excess of regulatory requirements. Total assets grew by 6% to £2.12bn.

Cost management continues to be a priority and administration costs of £22.9m grew by 10% over the year. As we look ahead to future opportunities, the profit outperformance of recent years and our associated strong capital position, combined with our proven ability to control 'business as usual' costs, gives us the headroom to invest more intensively in the Society's commercial operations. As such, costs are currently elevated as we consolidate our capability to deliver sustainable growth.

The Society has previously participated in the Government's 'TFSME' scheme (the Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises), drawing a total of £170m of Government backed funding under the scheme. During the year we repaid all of our outstanding obligations in full, ahead of the contractual schedule. We chose to repay ahead of schedule to de-risk any potential market disruption that might arise from other institutions seeking to repay their TFSME loans by generating increased retail savings inflows.

## Our people

Recruiting, retaining, developing and fairly rewarding our people is a key priority for us. We invest significant time in people management, and work hard to maintain a friendly, supportive and high-performing culture. In 2024 we were named as 'Employer of the Year' in the Cambridge Independent Business Awards.

Over 2025 we continued to invest in our people, particularly in learning and development opportunities, as well as regular events such as our team member conference (where we close our branches to allow everyone to attend in person) and annual summer party.

We also participated in the bi-annual Eastern Region 'Best Employers' process, receiving a silver accreditation that placed us in the top 30 of participating businesses. We encourage all our team members to share their views and ideas through our always-on sentiment surveys, team meetings and quarterly open calls with me and my team.

We aim to offer team members satisfying and fairly rewarded roles wherever their skills best fit across the Society. The Society welcomes individuals from all backgrounds, including supporting apprenticeship training, and continues to be a Real Living Wage Employer.

We are signatories to the Women In Finance initiative, and in contrast to much of the financial services sector the composition of our senior roles is predominantly female. At year-end our Board comprises twelve individuals, six female and six male, and our Leadership Team comprises fifteen individuals, ten female and five male.

Over the year we employed on average 182 full time and 63 part time team members, all of whom were either based in our central Cambridge Head Office or at one of our thirteen branches across the region.

## Making The Difference in our community

The Cambridge remains rooted in our local community and committed to making a difference to those who live and work in and around Cambridge. We are clear on our purpose: to find ways to help people have a home, by supporting people who couldn't buy without our help and by working with groups in our community who offer services for shelter and housing.

Our 'Making The Difference' programme acts as the unifying thread of all our community initiatives. In 2025, to commemorate our 175th anniversary, we were thrilled to announce an investment of £1m into Greater Cambridge Impact, a social investment fund aimed at tackling inequality, including housing issues, in our region. The fund aims to raise £10m and was initiated by Cambridge City Council and Cambridge & Peterborough Combined Authority, with our investment being the largest (and indeed first) from a local institution. We hope that Greater Cambridge Impact will make a significant difference to the region over the next ten years.

Also marking our anniversary, we announced a commitment to give at least £175,000 to community causes, not just in 2025 but annually going forward. 2025 was therefore a typically busy year in terms of community activity: we worked with our Community Partners for the year, Jimmy's Cambridge, Emmaus Cambridge and It Takes a City, as well as announcing multi-year funding support for The Angels Foundation UK, Turtle Dove Cambridge CIC and Citizens Advice Rural Camb, and made grants to a range of further community groups and charities.

We continued to operate our unique Rent to Home scheme, whereby individuals rent a property from The Cambridge for up to three years, at the end of which we return to them around 70% of the rent paid which they use towards a deposit to purchase a home of their own. To ensure that we target and help the right people, access to the scheme is restricted to First Time Buyers and subject to maximum income thresholds. During 2025, four of our tenants benefited from the scheme and successfully purchased a home of their own.

Like many cities, Cambridge has an aging housing stock. To help our members identify and prioritise home improvements that will have the biggest impact on their energy bills, The Cambridge has spent nearly a year documenting a project retrofitting a 1930s semi-detached house into a highly energy efficient family home. The project was highly successful with the property reaching 'passivhaus' standard.

2025 was our seventeenth year as headline sponsor of Bridge The Gap, an iconic walk through the colleges of Cambridge University that this year raised £53,000 for two local charities, Arthur Rank Hospice and Romsey Mill. This was the highest sum raised for ten years, reflecting the enduring appeal of the event.

Full details of our comprehensive community programme can be found in our Impact Review. This also contains details of how to apply to for a grant from The Cambridge Building Society Community Fund, the vehicle by which we distribute the majority of our community funding.

# Strategic Report

for the year ended 31st December 2025 (continued)

## Looking ahead

The Cambridge Building Society aims to be a thriving, independent, mutual society. We have stayed true to our core business model of providing funding for the purchase of homes and being a trusted place for people wishing to save. We believe that the future for organisations like The Cambridge – organisations with a community ethos, with the wellbeing of its people and customers at its heart, and with a burning ambition to thrive – is positive. And we go forward with a clear vision of what we want to deliver: fairly priced products, great service, and genuine community impact.

The political and economic landscape is uncertain, but equally significant is the changing regulatory landscape. The Prudential Regulation Authority has confirmed the abolition of many of the rules that have historically governed the operation of building societies (colloquially referred to as ‘the sourcebook’) and in parallel we are planning for

the implementation of the Small Domestic Deposit Takers framework and new Basel 3.1 capital rules. Notwithstanding the significant work required to ensure that we remain fully compliant with regulations, this changing landscape offers opportunity to us, and indeed to the broader mutual sector. Alongside others in the sector we are analysing what changes we may want to make to our strategy and operations: any such changes will be made prudently, continuing our rich history of being a responsible lender and a trusted place to save.

I am confident that with the continued hard work and the support of our people and members, your Society is well placed to continue to thrive long into the future, and I wish all members a safe, healthy and prosperous 2026.

### Peter Burrows

Chief Executive  
17th March 2026



# Directors' Report

for the year ended 31st December 2025

**Directors of The Cambridge Building Society have pleasure in presenting their Annual Report, together with the Accounts and Annual Business Statement for the year ended 31st December 2025.**

## Business review

The Cambridge Building Society is an independent, regional, mutual Society. Its primary activities are to provide funding for the purchase of homes and to provide a trusted place for people wishing to save. Further detail on our progress during 2024 is contained within the Strategic Report on pages 4 to 9.

During 2023 the Society's dormant, non-trading subsidiary companies were voluntarily struck-off. As a result figures presented below are on a Society-only basis from 2023 onwards whereas those from earlier years are on a Group basis. This does not give rise to any significant differences in the values or trends presented.

There is heightened uncertainty in the political and economic landscape with the ongoing war in Ukraine and the new conflict in the Middle East. The Board will remain vigilant to the potential domestic impacts on inflation and interest rates.

## Key performance indicators

The Board of Directors and Management Team monitor financial and non-financial information on a regular basis. Whilst this involves many performance indicators, the financial information shown on pages 10 to 13 relates to those that are considered key to the Society's overall success.

## Mortgages

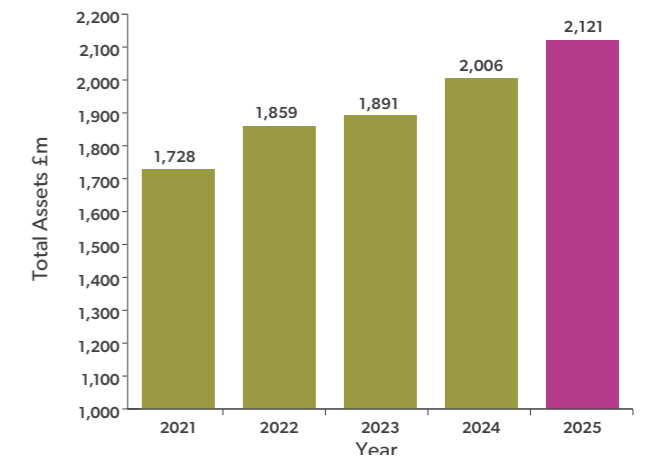


Gross mortgage lending is the amount of new loans that we make to members each year. The Society delivered new mortgage lending of £434m (2024: £305m).

Total mortgage assets grew by 10% to £1,746m (2024: £1,589m). At the end of the year, out of a total of 9,949 mortgage accounts, 13 accounts (2024: 6 accounts) had arrears of 12 months or more. Together these accounts have balances outstanding of £2.7m (2024: £4.6m) and arrears of £0.6m (2024: £0.3m).

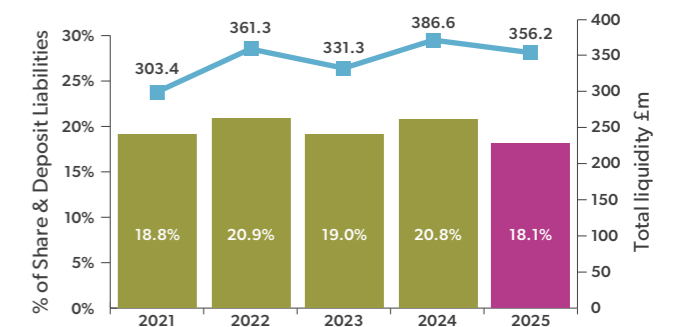
Despite the slight increase over 2025 overall arrears levels remain low and significantly below those of the mortgage market as a whole. This is testament to the Society's prudent lending policies and personalised, supportive approach towards members who have faced repayment difficulties.

## Total assets



Assets principally comprise mortgages and liquidity investments. Total assets have increased by 5.7% over the year, driven primarily by growth in the mortgage book.

## Liquid assets



Liquid assets are cash and short term liquid investments, and can be expressed as a percentage of shares and borrowings. This is a key measure of the Society's ability to meet its financial commitments as they fall due.

# Directors' Report

for the year ended 31st December 2025 (continued)

These commitments include withdrawal requests from savers, new mortgage lending and the funding of general business activities.

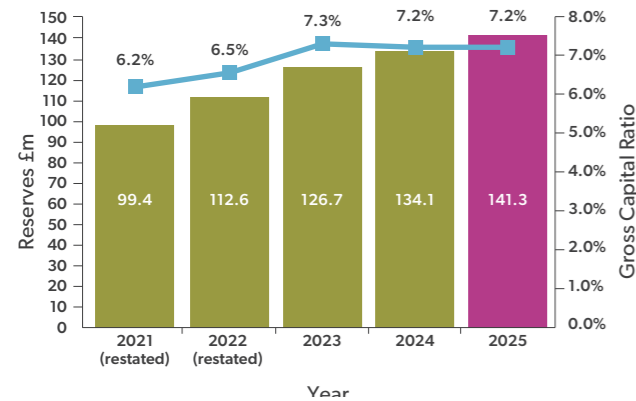
The Society is principally funded by its members' retail savings. During the year the Society finished repaying its borrowings under the Government's Term Funding Scheme with additional incentives for SMEs (TFSME).

The majority of liquidity assets are invested in UK Government securities and a Bank of England Reserves Account. The Society also has holdings with highly-rated commercial counterparties.

At the end of 2025 the Society held £356m (2024: £387m) of liquid assets. This level of liquidity is comfortably above regulatory requirements and represents 18% (2024: 21%) of shares and deposit balances.

The decrease in the level of liquid assets was expected as the Society used the high level of liquidity it had built up during 2024 to repay the remainder of its TFSME drawings during 2025.

## Reserves



Our reserves are an important measure of the Society's financial strength, as they are there to protect members should the business encounter financial difficulties.

The Society's reserves are all categorised as 'Tier 1' capital and as such are considered by the Prudential Regulation Authority to be the strongest form of capital.

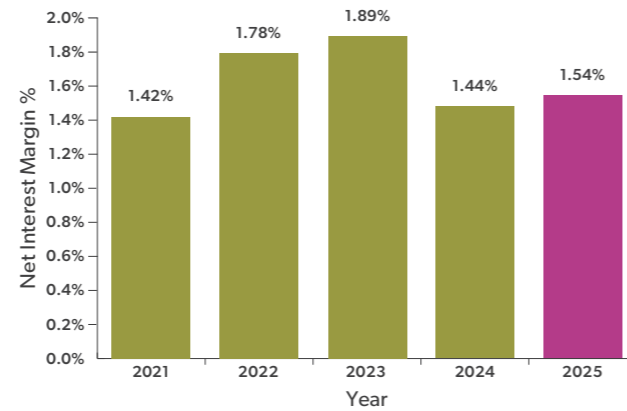
Total reserves grew by 5.4% over the year to £141.2m (2024: £134.1m), including retained profit for the year of £8.0m. In addition to the profit for the year, the Society's reserves were boosted by a reduction in the defined benefit pension scheme deficit which had a net impact of £0.3m.

Reserves include £15m (2024: £15m) of core capital deferred shares (CCDS). CCDS is a perpetual capital instrument with a discretionary distribution. The Society's CCDS investor (Cambridgeshire County Council Pension Fund) holds a single vote, preserving the Society's mutual status. During 2025 the Society made distributions amounting to £1.0m

(2024: £1.5m) to the holders of CCDS. These payments come directly from the Society's reserves. A full breakdown of movements in reserves is shown in the Statement of Changes in Members' Interests.

The Society's gross capital ratio stood at 7.2% and its free capital ratio at 6.8% (see page 76 for definitions). Capital amounts and ratios remained comfortably above regulatory requirements throughout the year.

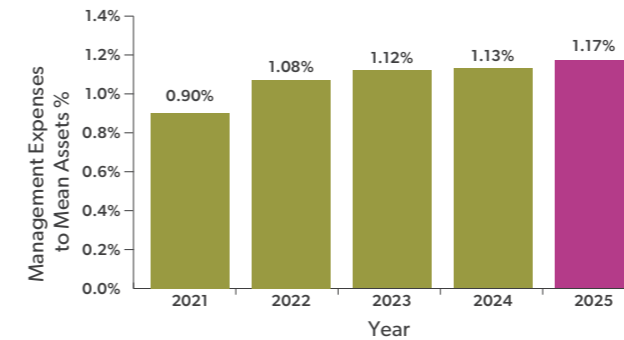
## Net interest margin



The net interest margin is the difference between the rate charged to borrowers and that paid to savers, including the impact of net income or expenses on financial instruments. The Society's strategy is to offer competitive products to both borrowers and savers, while at the same time ensuring that it makes sufficient profits to maintain financial strength and stability.

During 2025 net interest income rose to £31.8m (2024: £28.0m). This increase was primarily caused by the combination of a decrease in the interest paid on wholesale deposits as interest rates fell and TFSME drawings were repaid, and strong growth in the mortgage book.

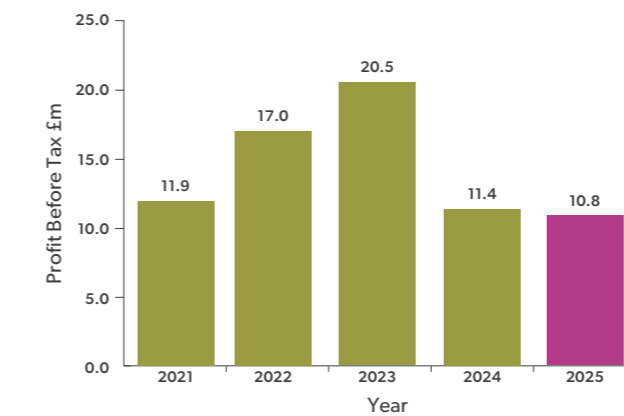
## Management expenses ratio



This is the ratio of management expenses and depreciation to mean total assets. It is an indication of the Society's cost efficiency and the aim is, over time, to balance investment in excellent customer service with a desire to increase our efficiency.

The Management expenses ratio increased during 2025 as the Society invested in capacity to deliver its growth plans. Having made this investment the management expenses ratio is expected to stabilize over 2026.

## Profit before tax



The Cambridge's strategy is to generate sufficient profit to sustain the financial strength of the organisation and enable managed growth, investment in customer service and an increasing financial commitment to our 'Making The Difference' programme.

The reduction in profit was principally due to the investment in the Society's capacity for growth as described above.

## Risk management objectives and policies

Taking and managing risk is an integral part of running any successful business. The main challenge is to identify, monitor and control the principal risks in line with the organisation's strategy and risk appetite.

The Society's Board has overall responsibility for setting the Risk Appetite. The Board Risk Committee, supported by Executive-led sub-committees covering operational & conduct risk, mortgage credit risk and assets & liabilities risk (ALCO), all play an important part in monitoring the overall risk profile.

The Board approves the Risk Management Framework and Risk Appetite annually. The Board, with the support of the Board Risk Committee, is responsible for overseeing the risk management processes and ensuring that the Society has a strong culture of risk awareness and risk ownership.

Risk appetite is articulated through a series of limits, which the Executive-led sub-committees, the Board Risk Committee, and the Board review regularly.

In keeping with industry best practice, the Society operates a three-lines of defence approach to support the effective management of risks across the business.

The financial instruments used by the Society to mitigate certain risks, particularly interest rate risk, are set out in Note 26 of the accounts

# Directors' Report

for the year ended 31st December 2025 (continued)

## Principal risks and uncertainties

The Society's most significant risks and the related mitigating actions, are as follows.

### Economic risk

**Description:** The risk that adverse movements in macroeconomic trends have detrimental effects on the Society's anticipated returns and business strategy.

**Mitigating actions:** The Society monitors economic conditions at the ALCO and Mortgage Credit Committee. The Risk Committee and Board also receive updates on the economic environment's impact on the Society's risk profile, business operations and strategic plan.

**Commentary:** UK economic conditions remained uncertain in 2025. Inflation moved closer to the Bank of England's 2% target in the second half of the year, with CPI year-on-year inflation reaching 3.5% in November. The Bank of England cut its base rate four times, from 4.75% to 3.75%, easing pressure on borrowers. However, conditions remain fragile: growth was subdued, unemployment rose to its highest level since 2021, and households continued to face elevated living costs. Geopolitical tensions and global trade uncertainty persist, weighing on confidence and the outlook for 2026. These factors present ongoing risks to funding costs, credit performance and mortgage demand.

The Society's capital position, predominantly retail funding base and its flexible but prudent approach to doing business means that it is well-placed to continue to meet the needs of its members. We regularly stress test our financial position to ensure that we remain resilient to unexpected shocks, and take account of Bank of England parameters.

### Mortgage credit risk

**Description:** Mortgage credit risk is the risk that a borrower will be unable to fully meet their financial obligations (the whole and timely payment of principal and interest) when due, or at any time in the future.

**Mitigating actions:** Mortgage credit risk is managed through prudent lending criteria and underwriting policies. All loans are approved, according to defined affordability criteria, by a central team of experienced underwriters that are operationally independent of sales activity. The prudent underwriting ensures that the Society has adequate security for the loan and that the borrower will be able to meet their repayments when due.

No matter how prudent lending is, some members inevitably get into financial difficulties and struggle to keep up their mortgage payments. As well as rigorous, risk-based underwriting, the Society prides itself on being highly proactive in supporting its members through any financial difficulties, thereby being true to its mutual values and helping to mitigate mortgage credit risk. Some of the main controls that support customers, are:

- A dedicated Financial Support Team that support customers experiencing payment difficulties with expertise and empathy.
- Monitoring customers who fall into arrears to contact them to understand their situation and financial position.
- Identifying affordable and sustainable forbearance options tailored to the customer's circumstances to minimise the risk of failure.
- All accounts in forbearance arrangements or arrears are subject to ongoing monitoring to ensure the support in place for them remains appropriate.

**Commentary:** With a prudent risk appetite, the Society continues to experience low arrears, concessions, and repossession. That said, our arrears position has increased over the year, as has the number of properties in repossession, reflecting the difficult economic environment. We continue to do all we can to provide financial support to our customers during times of financial stress. Our proactive support provided to customers, combined with the conservative lending criteria, is expected to protect the Society from large credit losses.

### Counterparty credit risk

**Description:** The Society places a proportion of its liquidity with other financial institutions and government bodies to ensure it can meet its liabilities as they fall due (see the liquidity risk section). These Treasury counterparties may also be unable to meet their obligations to repay, exposing the Society to counterparty credit risk.

**Mitigating actions:** Counterparty credit risk is kept to a minimum by only investing in counterparties with high credit ratings and in selected building societies. In addition, the Society limits exposures to specific counterparties, types of investment or countries, and the period it is prepared to invest for. These limits, and a range of other mitigating processes and controls, are documented in the Society's Treasury Credit Policy. The Board delegates oversight of counterparty credit risk to the Assets & Liabilities Committee (ALCO), through the Board Risk Committee.

**Commentary:** Treasury counterparties retained their high credit ratings, despite the challenging economic conditions seen in 2025.

### Capital risk

**Description:** Capital risk is the risk that the Society is holding an insufficient quantity or quality of capital to meet regulatory requirements or to support business strategy.

**Mitigating actions:** The Society monitors its capital position regularly. At least annually, the Society undertakes its Internal Capital Adequacy Assessment Process (ICAAP) that reviews whether its capital resources are sufficient to meet its requirements under stressed conditions. The Board Risk Committee and the Board approve the assumptions and results of the ICAAP.

**Commentary:** The Society's capital ratios are expected to remain strong throughout the forecast period and comfortably within risk appetite, even under severe stress scenarios.

From 1st January 2027, the Society will transition to the Prudential Regulation Authority's Strong and Simple Capital Framework. Given the low-risk nature of our balance sheet and our prudent approach to lending, we anticipate a further improvement in capital strength under the new rules. This enhancement will reinforce our financial resilience and support the delivery of our strategic objectives.

### Liquidity and funding risk

**Description:** Liquidity and funding risk is the risk that the Society has insufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. These obligations include, for example, savers' withdrawals and mortgage advances.

**Mitigating actions:** The Society maintains policies to ensure prudent levels of liquid assets at all times, enabling us to meet our liquidity obligations.

The Asset and Liability Committee (ALCO) oversees the Liquidity Policy and contingency plans, receiving frequent reports on the liquidity position and the outcomes of ongoing stress tests to ensure resilience.

In addition to daily, weekly, and monthly monitoring of funding and liquidity, the Society conducts a formal liquidity assessment under the Internal Liquidity Adequacy Assessment Process (ILAAP). We also perform an annual Liquidity Fire Drill exercise to confirm that procedures are robust and well understood in the event of a liquidity stress.

The Board Risk Committee and the Board approve the assumptions and results of the ILAAP and review the outcomes of the annual Fire Drill exercise, reinforcing governance and preparedness.

**Commentary:** The deposit market remained competitive throughout 2025. Pressure stemmed from the repayment of the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME), increased activity from non-bank deposit takers, and challenging economic conditions. The Society successfully repaid its TFSME funding in May 2025 and transitioned to alternative funding sources. We remain focused on sustaining healthy liquidity levels to support our lending ambitions and strategic objectives. Throughout the year, we operated within our risk appetite.

### Interest Rate Risk in the Banking Book

**Description:** The Society's primary market risk exposure arises from Interest Rate Risk in the Banking Book (IRRBB). This is the risk arising from movements in interest rates, or losses through movements in the price of financial instruments. For example, if the Society was funded by variable rate savings but lent at fixed rates, it would expose itself to the risk that if rates rose, its cost of funding would rise without any corresponding increase in interest income on loans.

**Mitigating actions:** The Society hedges its free reserves to ensure a stable income stream and more certainty on rates of income. Using a structural hedge reduces earning's sensitivity and the Society's exposure to the risk created by the imbalance of assets tied to bank base rate and SONIA (Sterling Overnight Index Average), where most of these assets are funded by retail savings with an administered variable rate.

**Commentary:** To support the use of structural hedging, the Society has enhanced its management information and its operating and risk appetite limits to ensure that the risk is appropriately monitored and controlled. The Society operated within its IRRBB limits in 2025.

The interest rate sensitivity of the Society at 31st December 2025 is set out in Note 26 on page 71.

# Directors' Report

for the year ended 31st December 2025 (continued)

## Business Strategy Risk

**Description:** As a lender primarily funded by retail deposits, there is the risk that competition in the savings and mortgage markets erodes the margin between rates charged to borrowers and rates paid to savers, thereby threatening the financial strength of the Society. One of the Society's key aims is to offer competitive rates to savers and borrowers, and only earn sufficient margin to maintain its financial strength and to meet the product and service needs of its members.

**Mitigating actions:** The Board manages this risk to margin by setting financial objectives and closely monitoring performance against them. Reforecasts are regularly carried out, enabling the Society to react promptly to challenges to these financial objectives.

**Commentary:** The Bank of England base rate fell from 4.75% to 3.75% by December 2025. The Society has aimed to find the right balance between supporting its customers while maintaining the financial resilience of the Society.

## Operational risk

**Description:** Operational Risk covers a wide and diverse range of risks faced by the business. This includes:

- **Process Risk** – the risk arising from inadequate or failed internal processes.
- **Third Party Risk** – risks arising from the use of third-party suppliers or from outsourcing functions or services.
- **People Risk** – risks arising from not having enough or sufficiently qualified / experienced team members within the Society.
- **Model Risk** – the potential for adverse consequences due to decisions being made based on incorrect or misused model outputs.
- **Operational Resilience** – the risk that the Society fails to design resilience into business operations, underlying infrastructure and controls such that it is unable to withstand internal or external events that could impact the continuation of operations.
- **Data Security** – the risk of failing to effectively govern, manage and control data.
- **Financial Crime / Fraud** – the risk that the Society's products and services are intentionally or unintentionally used to facilitate financial crime in the form of money laundering, terrorist financing, bribery and corruption, sanctions, and tax evasion, as well as external or internal fraud.
- **Cyber Risk** – risks arising from a failure in the Society's information technology systems or processes.

**Mitigating actions:** Each first line business area analyses and assesses how operational risk impacts their activities and puts in place appropriate controls or other mitigating actions. The Risk team then reviews and challenges these first line assessments every quarter.

Where the Society has outsourced a particular activity, such as the provision of IT services, it has a robust set of procedures in place to oversee these activities, including monitoring closely the provision and quality of these services against pre-determined service level agreements and key performance indicators and ensuring the Society has adequate oversight over these activities.

The Society, like most organisations, is dependent on several key third-party suppliers. A framework is in place to assess and monitor all third parties before and during any contractual relationship, including their financial resilience and the risk they pose to the Society's data and cyber platforms.

There has been an increasing focus on operational resilience across the UK financial system. The Society has identified its Important Business Services and regularly assesses the risks that could threaten their operation and the capabilities available to maintain services. Business continuity and contingency plans have been developed to ensure the impact of any disruption is minimised and there is an ongoing programme to ensure stakeholders are familiar with the plans.

The Operational and Conduct Risk Committee provides primary oversight of the Society's Operational Risk. At the Board level, both the Board Risk Committee and Board Audit Committee receive information on our key operational risks and assurance activities.

**Commentary:** The Society continues to focus on maintaining the strength of its control environment. We review our risks regularly and factors that could impact our operating environment so that we are well placed to manage our operations now and going forward.

We review external information to adopt learnings or good practice. This commitment to continuous improvement supports resilience and operational integrity across all areas of the business.

## Conduct risk

**Description:** Conduct Risk is the risk of inappropriate customer outcomes or customer harm arising from a failure to act fairly and reasonably.

**Mitigating actions:** As a mutual the customer is at the heart of the Society's operations and processes. The Board have fully embraced the requirements of the consumer duty as the principles become firmly embedded within the Society's culture and the interests of the Society continue to be well served by its commitment to the fair treatment of all customers.

Conduct risk is overseen by the Operational and Conduct Risk Committee, which considers regular Conduct Risk management information, approves the Conduct Risk Policy and ensures that the customer is at the heart of the product development process, marketing, sales, and post-sales service. The Committee also regularly considers the treatment of vulnerable customers and ensures this is embedded across the business, for example in product development and changes.

Compliance and Internal Audit consider whether the Society is delivering appropriate outcomes for members as part of their reviews.

**Commentary:** The Society continues to monitor its treatment of customers and customer outcomes, including receiving additional feedback and surveys of customers who have found themselves in financial difficulties. We have embedded the Consumer Duty requirements in our running of the business. This is an area that we seek to continuously improve so we regularly review our processes and collect information to monitor customer outcomes. The FCA's requirements on the Consumer Duty and fit naturally with the ethos of the Society, as a mutual organisation.

## Regulatory Risk

**Description:** This is the risk arising from changes in laws or regulations governing the Society and/or failure to comply with legal or regulatory requirements.

**Mitigating actions:** The Board and Management Team closely monitor compliance with all regulatory requirements and keep up-to-date with relevant changes. The Society operates under a Three Lines of Defence model to safeguard adherence to these obligations. In addition, we provide ongoing training and development for colleagues to strengthen their knowledge and support a culture of compliance across the organisation.

**Commentary:** The regulatory landscape is undergoing significant change, and the Society is well positioned to navigate the evolving environment. Experts from across the business are actively preparing for the Prudential Regulation Authority's Strong and Simple Capital Framework, while we continue to review our lending approach in response to the FCA's Mortgage Market reform permissive rules. We are also shaping our strategy following the removal of the Building Society Sourcebook, which will provide greater flexibility in defining our business model and strengthening our risk management framework.

To support the Society's strategic ambitions and respond to a dynamic regulatory environment, we enhanced our executive governance framework in 2025. These changes have strengthened oversight of both strategy and risk management, ensuring robust leadership and effective decision-making.

## Financial Crime & Fraud

**Description:** This is the risk that the Society's products and services are intentionally or unintentionally used to facilitate financial crime in the form of money laundering, terrorist financing, bribery & corruption, sanctions and tax evasion as well as external or internal fraud.

**Mitigating actions:** The Society would never knowingly enter an activity associated with a financial crime or fraud, and has processes and controls in place to mitigate this risk and ensure that the Society's complies with the legal and regulatory requirements in relation to anti-money-laundering (AML) and combatting the financing of terrorism.

**Commentary:** Like all financial institutions, the Society is exposed to some degree of financial crime risk as part of day-to-day operations, however it is committed to fulfilling its moral, lawful and regulatory obligations in this regard. The Society conducts regular reviews on its processes and controls to ensure it manages this risk as effectively as possible.

# Directors' Report

for the year ended 31st December 2025 (continued)

## Climate Risk

**Description:** Risks arising from either the physical changes to the climate (e.g. increased frequency and severity of extreme weather events such as flooding) or from transitioning to a low carbon economy.

**Mitigating actions:** In line with regulatory expectations, the Society has integrated climate risk into its Risk Management Framework and has carried out analysis to improve the understanding of the financial risks it presents, including conducting stress testing through the Internal Capital Adequacy Assessment Process (ICAAP).

**Commentary:** The Society will use the work carried out to date to inform its wider climate strategy to reduce its carbon footprint and to support its customers in transitioning to a low carbon economy.

## Capital

Gross capital at 31st December 2025 was £140.9m (2024: £134.1m) being 7.17% of total shares and borrowings (2024: 7.21%). Free capital at the same date was £132.4m (2024: £125.1m) being 6.73% of total shares and borrowings (2024: 6.72%). An explanation of these ratios can be found in the Annual Business Statement on page 76.

## Charitable donations

During the year, the Society made charitable donations amounting to £177k (2024: £80k). No contributions were made for political purposes.

## Tangible fixed assets

The Directors consider that the overall market value of the freehold and leasehold properties occupied by the Society, including the principal office of the Society, corresponds to the book value that is included within tangible fixed assets (per Note 16 to the Accounts). In arriving at this view, the Directors have used external valuations of the Society's property portfolio. The book value of freehold assets differs from the external valuation obtained by the Directors due to additions made and depreciation charged since the valuation was obtained.

## Creditor payment policy

The Society's policy is to pay trade creditors within the agreed terms of credit once the supplier has discharged its contractual obligations. At 31st December 2025, the Society had an average of one day's purchases outstanding in trade creditors (2024: eight days).

## Viability and going concern

The Board regularly engages in a forward planning process where it considers likely future growth, profitability, liquidity and levels of capital both in normal market conditions and across a range of stressed scenarios, including potential recession.

The current economic conditions present ongoing risks and uncertainties for all businesses. In response to such conditions, and as required by the Financial Reporting Council, the Directors have carefully considered these risks and the extent to which they might affect the preparation of the Financial Statements on a going concern basis.

## Viability assessment

The Society has modelled a number of severe but plausible five year scenarios as part of the latest ICAAP including a recession and an idiosyncratic credit stress. The ICAAP also included a reverse stress test.

The Society's five year Corporate Plan shows that levels of profit for the next few years remain at healthy levels which are capital-sustaining. On the basis of these profit levels and of headroom over minimum capital requirements, the Board concludes that both the ICAAP and the Corporate Plan support the going concern assumption.

Liquidity stress testing, including reverse stress testing, is modelled annually in the ILAAP and the levels of liquidity and stress scenarios are regularly updated with management meeting to review liquidity as well as reviewing in detail at the monthly ALCO meeting.

The Society's 2025 ILAAP showed that the Society held adequate liquidity to withstand a 92 day stress. The Society has continued to hold adequate levels of liquidity throughout 2025 and into 2026 and accordingly does not consider that liquidity levels undermine the going concern assumption.

Operational viability is assessed regularly by the Society to ensure that it can continue to offer services to members in the face of a variety of stress scenarios. This ability was tested during the pandemic including the ongoing ability to maintain COVID-secure branches and offices and remote working for non-customer facing staff. The Society's measures worked effectively in maintaining services.



## Conclusion

The Directors are required to consider whether the Society will continue as a going concern for a period of twelve months from the signing of the accounts. In making the assessment the Directors have reviewed the Society's five-year plans and forecasts, including related funding, capital needs and a robust assessment of the principal risks facing the Society, the Directors consider that the Society remains viable and is able to generate adequate profits for regulatory capital requirements and holds sufficient liquidity to maintain its solvency.

The Society has maintained strong liquidity and capital positions and the Directors are satisfied that this will continue for at least the twelve-month period from the signing of the accounts. In conclusion they consider that the Society has adequate resources to continue in operational existence and continue to meet its liabilities over the five-year planning period and so they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

## Post balance sheet events

The Directors do not consider that any event since the year end has had a material effect on the position of the Society.

## Corporate governance

The Board of Directors is committed to best practice in Corporate Governance. The report on pages 22 to 25 explains how the Society has regard to the principles of the UK Corporate Governance Code as far as they are applicable to building societies.

## Auditor

The Auditor Forvis Mazars LLP has expressed its willingness to continue in office in accordance with Section 77 of the Building Societies Act 1986. A resolution for the reappointment of Forvis Mazars LLP as auditor is to be proposed at the Annual General Meeting on 23rd April 2026.

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.



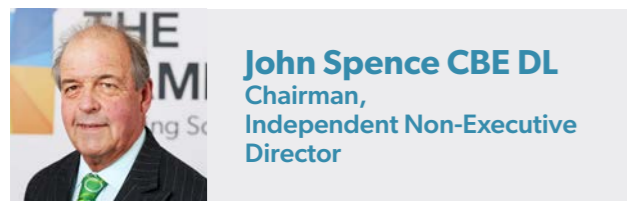
On behalf of the Board of Directors

**John Spence**

Chairman  
17th March 2026

# Board of Directors

for the year ended 31st December 2025



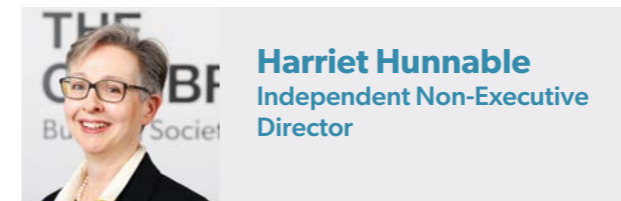
**John Spence CBE DL**  
Chairman,  
Independent Non-Executive  
Director

John joined The Cambridge in November 2020 and was appointed as Chairman of the Board in April 2021. John also chairs the Nominations Committee.

John has had a distinguished career in financial services, principally with Lloyds TSB where he ended his executive career with a series of Managing Director roles across various parts of the business. Born and raised in Edinburgh, John excelled as a scholar, with studies at George Watson's College, Trinity College, Dublin, and Harvard Business School.

John has held a range of roles, including Non-Executive Directorships with HMRC, at the property group Spicerhaart and Skipton Building Society. He is also deeply committed to charitable and public service, being cabinet member for Health and Adult Social Care at Essex County Council, and is a Deputy Lieutenant for Essex. He retired after ten years as Finance Chair of the Archbishops' Council of the Church of England on 30th September 2023. He has been president or chair of various disability charities such as Action for Blind People, Revitalise and Enable.

John is a proud family man and lives with his wife, Yvonne, in Essex. He has a passion for cooking, swimming and gardening. John has been awarded the MBE, OBE and CBE for services to community, charity and business respectively.



**Harriet Hunnable**  
Independent Non-Executive  
Director

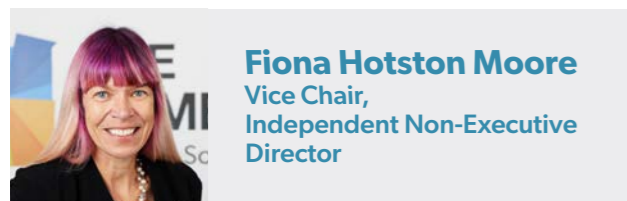
Harriet joined The Cambridge in 2000 as a member when she opened a savings account for the first of her three children. In 2023 she joined the Board to help with its contribution to the community and the city she loves. Harriet is our Consumer Duty Board champion and a member of the Risk and Remuneration & People Committees.

She brings a unique combination of financial services, treasury and environmental, social and governance

expertise. Having started her career in the treasury of a small bank, Harriet later went on to lead benchmark reform for the Financial Conduct Authority. Her work has been recognised with several financial product awards and Harriet is a FN 100 Women in Finance holder. Now she serves on critical benchmark oversight boards, advisory boards and on the board of the London Metal Exchange.

Climate change and a just and fair transition are among her key interests, and she brings experience of helping leaders incorporate new approaches. Over the last five years she has been involved with the University of Cambridge's climate and nature initiatives.

Harriet lives in Cambridge, is married to Joe and has three children, who are all keen on cooking and eating together! In her spare time, she is a Cambridge Caring Together volunteer.



**Fiona Hotston Moore**  
Vice Chair,  
Independent Non-Executive  
Director

Fiona Hotston Moore joined The Cambridge in November 2018 and brings extensive financial expertise from a career in accountancy, which started in Cambridge at KPMG. Since then, she has been a Partner in a number of Top 10 and international firms in London. Fiona was appointed Senior Independent Director and Vice Chair of the Board in

April 2023. She is also a member of the Audit Committee and Nominations Committee.

Fiona is an experienced forensic accountant and business valuer. Fiona founded a boutique practice, FHM Forensic Accounting Limited in early 2024 and provides expert witness services to clients across the UK and beyond.

Fiona was attracted to The Cambridge because of our strong reputation, culture and focus on the local market and considers it a privilege to serve on the Board.

Fiona is a keen runner and is active on social media. She works with the Samaritans as a listening volunteer and also supports communities within local prisons.



**Mark Jeffries**  
Independent Non-Executive  
Director

Mark joined the Board in October 2023 and has strong affinity with the Cambridge community having studied law at St John's College and spent his executive career at

Mills & Reeve whose largest office is in the city. Mark was the Managing Partner of Mills & Reeve for six years and the Senior Partner for eight years.

Since retiring from Mills & Reeve, Mark has held a series of Non-Executive roles in a wide variety of organisations including R.G. Carter Holdings and Britten Sinfonia. Mark is Chair of our Audit Committee.

Mark lives in Norwich with his wife, Catherine, with whom he has two adult children and two grandchildren.



**Pauline Caldwell**  
Independent Non-Executive  
Director

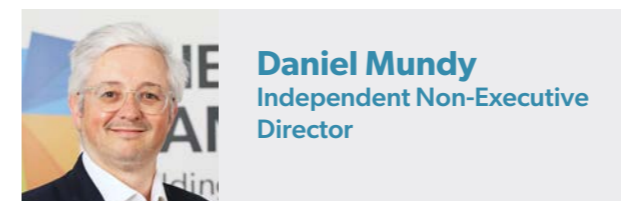
Pauline is a seasoned Global HR professional, Non-Executive Director, and Executive Coach with over 20 years of experience in developing and coaching high-performing leaders. Her sector focus is financial and professional services.

Pauline advises Boards and business leaders to enhance their people leadership capabilities in a supportive,

yet challenging way. Her expertise spans leadership development, compensation and remuneration, succession planning, ED&I and relationship management. She believes in a balance of business strategy and human-centric leadership.

Since joining the Board in April 2023, Pauline serves as Chair of the Remuneration & People Committee and is a member of the Audit Committee. She holds an MCIPD qualification, a Practitioner Diploma in Executive Coaching, and a Systemic Team Coaching certification.

Beyond her professional life, Pauline enjoys practicing yoga, personal training, reading both fiction and leadership books, indulging in cinema, and spending time with her eight nieces and nephews.



**Daniel Mundy**  
Independent Non-Executive  
Director

Daniel Mundy joined The Cambridge as a Non-Executive Director in January 2023 and is Chair of the Risk Committee.

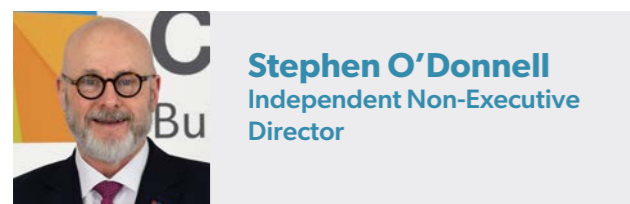
Over an executive career spanning 25 years, Daniel has held senior roles (including CFO and CRO) across several regulated entities and UK financial service regulators.

Once Daniel completed his formal studies in maths and economics at University College London, he started his professional career at the Halifax and subsequently worked at several leading mutual organisations, including Yorkshire Building Society, Nationwide Building Society and the Nottingham Building Society; in addition to these roles in the mutual sector, Daniel also worked within the regulator as part of its leadership team after the global financial crisis.

Daniel lives in Rutland with his young family and ever-growing collection of family pets and spends his leisure hours pacing various sports pitches across the Midlands.

# Board of Directors

for the year ended 31st December 2025 (continued)



**Stephen O'Donnell**  
Independent Non-Executive Director

Steve joined The Cambridge in February 2025 and has extensive experience in both technology and financial services. He is a member of the Risk Committee.

Steve served as the Coventry Building Society's chief information officer from 2019 to 2021, delivering a major digital transformation of the Society's member-facing platforms. He previously worked as the CIO for AJ Gallagher, a Chicago based insurance brokerage company, and as the global head of data centre operations for British Telecom.

He is an Independent NED for Guarddog AI Inc., an Artificial Intelligence cyber security firm based in Utah, USA, and COO of The Scottish Business Network, a professional non-profit organisation created to unite and help the Scottish Diaspora at home and abroad. Steve is deeply interested in electrical engineering and has written extensively on the impact of society's decarbonisation on global electrical generation and distribution.

Steve lives in Central London with his Ukrainian refugee guests, who have fled the Russian invasion of their homeland. He enjoys spending weekends at the family farm in Beccles, Suffolk, where, unfortunately, he is permanently engaged in the maintenance and repair of the farmhouse and outbuildings.



**Peter Burrows**  
Chief Executive Officer

Peter was appointed Chief Executive Officer in October 2019 having joined the Society in 2016. His vision is for The Cambridge to be a thriving, independent, mutual business, dedicated to helping people have a home and being a trusted place for people to save.

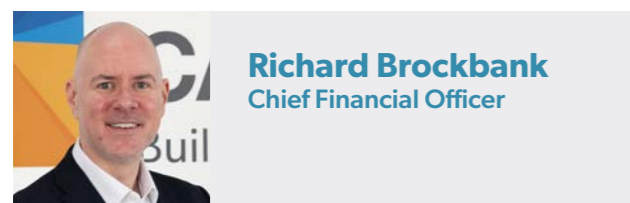
He has more than 25 years of financial services experience, having held senior roles in both mutual and plc businesses and worked in the UK, as well as in mainland Europe. In addition to ensuring that The Cambridge remains a member-centric, financially secure business, Peter is

committed to the further development of our 'Making The Difference' programme aimed at supporting our members and their local communities.

A mathematics graduate of Oxford University, Peter now embraces 'all things Cambridge' as a keen road cyclist and runner alongside the River Cam. A favourite area is around Magdalene Bridge, which for him is where history and modernity meet.

Outside of the Society, Peter is a trustee of Astrea Academy Trust, a multi-academy trust with schools across Cambridgeshire and Yorkshire.

Peter sits on the Nominations Committee and attends the Audit, Risk and Remuneration & People Committees. He is one of the Society's representatives on The Cambridge Building Society Community Fund Panel and was named 'Business Person of the Year' in the 2024 Cambridge Independent Business Awards.



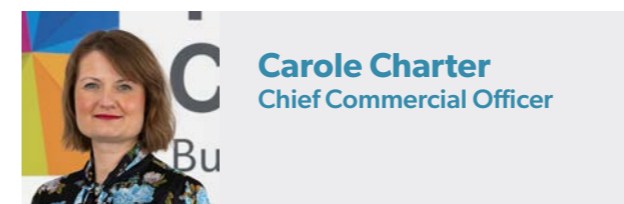
**Richard Brockbank**  
Chief Financial Officer

Richard joined the Board at The Cambridge in 2020 as Chief Financial Officer and brings a wealth of experience to the role.

After graduating from the University of Cambridge and qualifying as a Chartered Accountant, Richard spent 10 years working in early-stage venture capital fund management.

In 2015, Richard joined the Society as Head of Finance where he has been integral to the delivery of The Cambridge's strategy to deliver sustainable growth focused on long-term benefits to both savers and borrowers.

In Richard's spare time he is a keen photographer. He also loves baking and is a keen (but slow) cyclist.



**Carole Charter**  
Chief Commercial Officer

Carole Charter joined the Society in 2003 and has since held a variety of marketing and customer-related roles within the business. She was appointed to Chief Commercial Officer and joined the Board in April 2020.

Carole brings a wealth of knowledge and understanding of financial services and the building society sector to the role, which encompasses responsibility for marketing, product development, lending, and financial support and arrears.

Carole has an Accountancy and Financial Management degree from the University of Sheffield. Carole attends the Risk Committee and chairs the Operational and Conduct Risk Committee.

In Carole's spare time she's a big 'foodie' and enjoys cooking up curries and the occasional paella. She would also like to spend more evenings attending the local theatre, the West End, and the opera.



**Lucy Crumplin**  
Chief Operating Officer

Lucy Crumplin joined The Cambridge in November 2019 as interim Head of People and during 2020 became our Chief Operating Officer and member of our Board.

Lucy studied English Literature and Psychology at Cardiff University before joining KPMG and completing an MSc in Human Resources. Her skill in driving business improvement, turning strategy into reality and building

positive workplace cultures has grown over more than 20 years in management consultancy and in-house leadership roles. She also has six years' experience as a Non-Executive Director of an NHS Foundation Trust.

Today, Lucy is responsible for ensuring The Cambridge has the operational capability to deliver outstanding customer service, help more people have a home, and make a difference in our community. Her remit includes customer engagement (our branch network and customer contact centre), IT, change, people and culture, underwriting, facilities and operational resilience.

Outside of work Lucy can usually be found cheering on her son and daughter at various sports fixtures, walking the dog, or just relaxing in front of the TV.



**Sandhya Kwar**  
Chief Risk Officer

Sandhya joined the Board of The Cambridge as Chief Risk Officer in January 2022.

Sandhya studied BSc and MSc Economics at the London School of Economics and Warwick Universities. She started her career as an economist at the Bank of England in 2004.

She has since worked in various risk roles at Deloitte, M&G, and the private bank, C. Hoare & Co. Through her career, Sandhya has built up her expertise in using risk insights to support business strategy and growth. At The Cambridge, Sandhya is responsible for the Risk & Compliance oversight teams, and also acts as the Money Laundering Reporting Officer and the Data Protection Officer.

Sandhya enjoys cooking for her family and friends, likes to read, and practices yoga in her free time.

# Corporate Governance Report

for the year ended 31st December 2025

The UK Corporate Governance Code was created in 1992 with subsequent updates detailing the requirements for listed firms to demonstrate compliance, The 2024 Code is the most recent version and applies to accounting periods beginning on or after 1st January 2025. Whilst building societies are not bound by the Code, the Prudential Regulation Authority expects building societies to have regard to the Principles of the Code when arranging their governance. The Principles emphasise the value of good corporate governance to long-term sustainable success.

## Compliance with the UK Corporate Governance Code 2024

The Society voluntarily applies the Principles and Provisions of the UK Corporate Governance Code. The table below identifies the sections of this report which demonstrate how each of the Principles has been applied. The Board considers that the Society has applied all the Principles set out in the Code.

Application of the Principles of the Code	Principle	Pages
<b>Board Leadership &amp; Company Purpose</b>		
Strategic Report	A, B, D	4-8
Corporate Governance Report	C	22-25
Our People	E	6, 7
<b>Division of Responsibilities</b>		
Corporate Governance Report	F, H, I	22-25
Board of Directors	G	18-21
<b>Composition, succession and evaluation</b>		
Corporate Governance Report	J, K, L	22-25
<b>Audit, Risk and Internal Control</b>		
Corporate Governance Report	M	22-25
Directors' Report	N	9-17
Directors' Report – Principal Risks and uncertainties	O	12-16
<b>Remuneration</b>		
Directors' Remuneration Report	P, Q, R	26-29

As a building society, there are some Provisions of the Code with which we do not comply for reasons relating to our ownership structure. The Society was not compliant with the following provisions of the Code in 2025:

### Provision 3

Provision 3 states that the chair should seek regular engagement with major shareholders to understand their views on governance and performance against the strategy. Committee chairs should seek engagement with shareholders on significant matters. As a mutual organisation, a building society does not have any shareholders and members can only have one share, there are no 'major' members.

### Provision 36

Provision 36 relates to the award of shares to Executive Directors as part of long-term incentive schemes. The Society's rules mandate that every Director holds a minimum of £1,000 with the Society, therefore all Executive Directors are members of the Society, however, their membership does not confer any additional financial reward beyond what is available to any other savings members.

### Provision 38

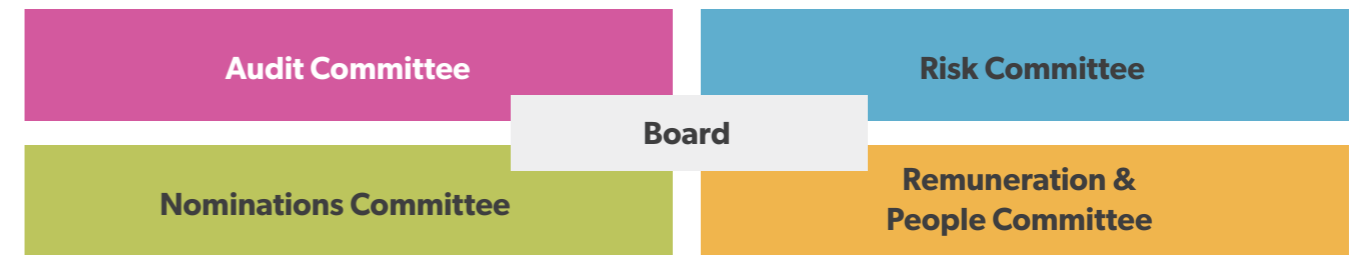
Provision 38 requires a description of malus and clawback provisions to be included in the annual report on remuneration. No employee of the Society, including the Directors, receives any remuneration which is subject to malus and clawback.

## Governance Highlights 2025

- The Society completed an external board evaluation in 2024. The Code requires an annual performance review, however, for smaller companies this only needs to be externally facilitated every three years, therefore an internal performance review, led by the Company Secretary, was completed in 2025.
- The Society's governance arrangements were reviewed to ensure alignment with the UK Corporate Governance Code 2024 and found to be consistent.
- The Board appointed Stephen O'Donnell as an independent Non-Executive Director in February 2025. Stephen was subsequently elected by members at the AGM with 96.1% of votes cast in favour of his appointment.
- We were delighted to win the ESG Project of the Year award at the CGIUKI Corporate Governance Awards for the 'Rent to Home' scheme.

## Governance Structure

The Society's governance structure provides a resilient framework through which the Society is directed and controlled. It is comprised of the Board, board committees and operational committees. It is designed to put the needs of members, employees and the community at the centre of decision making.



### The Board of Directors

The Board sets the Society's strategy and is responsible for ensuring that the Society delivers against its financial, commercial and social objectives in a way which promotes the desired culture and is within the risk appetite and in the interests of all stakeholders.

The Board ensures that the Society complies with its Rules & Memorandum and all relevant legal, regulatory and governance requirements. Formal documentation of authorities delegated by the Board are maintained and approved by the Board annually. These documents specify matters which are reserved for the Board and matters which are delegated to specific committees or individuals. Certain policies are reserved for Board approval, including those which cover treasury governance, conflicts of interest and conduct risk. Transparent procedures are in place, through the Audit Committee, to ensure the independence and effectiveness of internal audit functions and satisfy the board of the integrity of financial and narrative statements.

The Society's Board is chaired by John Spence and comprises seven independent Non-Executive Directors, including the Chair, and five Executive Directors. Six of the Directors are female and six are male.

### Board Committees

The work of the Board is supported by four board Committees: Audit Committee, Risk Committee, Remuneration & People Committee and Nominations Committee.

#### Audit Committee

The Audit Committee is formed of three Independent Non-Executive Directors; Mark Jeffries, who chairs the committee, Fiona Hotston Moore and Pauline Caldwell. Each meeting of the Audit Committee is attended by the internal and external auditors.

The Audit Committee is responsible for reviewing the annual report and accounts and making a recommendation to the Board on whether, taken as a whole, it is a fair, balanced and understandable.

The committee also oversees the Society's relationship with the internal and external auditors. Forvis Mazars LLP were appointed as the Society's external auditors on 21st July 2020 on the recommendation of the Audit Committee. The period of total uninterrupted engagement is six years, covering the years ended 31st December 2020 to 31st December 2025.

An explanation of the application of the Society's accounting policies is available in Note 1 on pages 42 to 48.

# Corporate Governance Report

for the year ended 31st December 2025 (continued)

## Risk Committee

The Risk Committee is formed of three Independent Non-Executive Directors; Daniel Mundy, who chairs the committee, Harriet Hunnable and Stephen O'Donnell.

The Risk Committee provides assurance to the Board that risk management and risk control processes are effective. The committee also monitors risk areas faced by the Society through reports provided by management and makes recommendations to the Board where necessary and provides advice on the Society's risk appetite.

## Remuneration and People Committee

The Remuneration and People Committee is formed of three Independent Non-Executive Directors; Pauline Caldwell, who chairs the committee, Harriet Hunnable and Mark Jeffries.

A description of the work of the Remuneration & People Committee is provided as part of the Directors' Remuneration Report on page 26.

## Nominations Committee

The Nominations Committee is formed of the Chair of the Board, John Spence, who also chairs the committee, the Senior Independent Director, Fiona Hotston Moore (both of whom are Independent Non-Executive Directors) and the Chief Executive Officer, Peter Burrows.

The Nominations Committee leads the process for appointments to the Board and ensures that plans are in place for the orderly succession of Directors by monitoring the knowledge and skills of the Board as a whole to ensure that it maintains the right experience to help the Society meet its strategic objectives.

The appointment of Stephen O'Donnell to the Board in January 2025 was led by the Nominations Committee who appointed Stanton Chase to facilitate the search. There is no connection between Stanton Chase and The Cambridge Building Society, or its Directors.

An externally facilitated Board evaluation was completed by Clare Chalmers Limited, a TIRBR registered board review company, in 2024. The review identified ten suggestions to improve board performance; all were addressed in 2024. The Nominations Committee asked the Company Secretary to facilitate an internal board performance review in 2025. This consisted of an anonymous questionnaire which was completed by all Directors. The results will be reviewed by the Nominations Committee in 2026 with an action plan to address any short coming that might be identified.

The gender balance of the board is 50% female and 50% male, the gender balance of the next level of management below the Executive Directors is 70% female and 30% male.

## Directors' attendance record

The attendance record for Board members is shown in the table below. The table shows the actual number of meetings attended with the number of meetings for which the Directors were eligible to attend.

Board member	Board	Audit	Risk	Nominations	Remuneration & People
John Spence	8 (9) Ch	-	-	2 (2)	-
Fiona Hotston Moore	9 (9) Vc	4 (4)	-	2 (2)	-
Pauline Caldwell	8 (9)	4 (4)	-	-	4 (4) Ch
Harriet Hunnable	9 (9)	-	7 (7)	-	4 (4)
Mark Jeffries	9 (9)	4 (4) Ch	-	-	2 (2)
Daniel Mundy	9 (9)	-	7 (7) Ch	-	-
Stephen O'Donnell	9 (9)	-	7 (7)	-	-
Andrew Rice	0 (0)	-	-	-	1 (1)
Peter Burrows	9 (9)	3 (4) A	7 (7) A	2 (2)	4 (4) A
Richard Brockbank	9 (9)	4 (4) A	7 (7) A	-	-
Carole Charter	9 (9)	-	7 (7) A	-	-
Lucy Crumplin	9 (9)	-	6 (7) A	-	4 (4) A
Sandhya Kavar	9 (9)	4 (4) A	7 (7) A	-	-

Ch – denotes Chair/Chairman

Vc – denotes Vice Chair

A – denotes attendee only

( ) – denotes number of meetings eligible to attend

## Key Roles

### Chair of the Board

The Chair of the Board is John Spence who is an independent Non-Executive Director, his primary role is to lead the Board of Directors and ensure that meetings are effective, involve meaningful discussions and make good quality decisions. The Chair promotes the Society's desired culture of open and honest debate enabling all voices to be heard at the board table and facilitates constructive board relations. The Chair holds annual meetings with all Non-Executive Directors to discuss their individual performance and share any feedback.

### Vice Chair of the Board & Senior Independent Director

The roles of the Vice Chair of the Board and Senior Independent Director are fulfilled by Fiona Hotston Moore, who is an Independent Non-Executive Director of the Society, her primary role is to support the Chair, deputing in their absence and lead the annual appraisal of the Chair's performance. Twice a year the Board meet without the Chair to discuss their performance, any feedback identified in the meeting is shared with the Chair by the Senior Independent Director.

### Chief Executive Officer (CEO)

The CEO, Peter Burrows, is responsible for leading the Society's management team to execute the corporate plan and the long-term strategy of creating a thriving independent mutual organisation. The CEO is responsible for the day-to-day management of the Society and maintains regular communication with the Chair of the Board.

### Independent Non-Executive Directors (NEDs)

To ensure that the majority of the Board is independent the Society has appointed seven Independent Non-Executive Directors:

- John Spence (Chair of the Board)
- Fiona Hotston Moore (Vice Chair and Senior Independent Director)
- Pauline Caldwell
- Harriet Hunnable
- Mark Jeffries
- Daniel Mundy
- Stephen O'Donnell

The Non-Executive Directors provide constructive challenge and strategic guidance to the Executive Directors and management and hold them to account.

Each Non-Executive Director stands for annual election by the members and can serve a maximum of nine years on the Board, which ensure that membership of the Board is regularly refreshed. The skills, experience and knowledge of the Non-Executive Directors and the board as a whole is reviewed annual by the Nominations Committee.

### Executive Directors

The Society's Board has five Executive members:

- Peter Burrows, Chief Executive Officer
- Richard Brockbank, Chief Financial Officer
- Carole Charter, Chief Commercial Officer
- Lucy Crumplin, Chief Operating Officer
- Sandhya Kavar, Chief Risk Officer

Each Executive Director has an employment contract with the Society for their Executive role and stands for annual election by the members for their Board position. There is no time limit for how long an Executive Director can serve on the Board. The Executive Directors support the Chief Executive in the delivery of the Society's strategy and corporate plan.

### Company Secretary

All Directors have access to the advice of the Company Secretary, who advises the Board on governance and legal matters. The Company Secretary provides support to the Board and senior management and ensures that the Board has the necessary, policies, processes and information to make effective decisions and facilitate discussion.

## Summary of Board activities

Decisions made by the Board through 2025 covered six key areas of focus: strategy, financial and business performance, governance, risk and compliance, regulatory matters, and remuneration, culture and people.



**John Spence**  
Chairman  
17th March 2026

# Directors' Remuneration Report

for the year ended 31st December 2025



From Pauline Caldwell,  
Chair of the Remuneration & People Committee

## UK Corporate Governance Code

The report on remuneration for the year ended 31st December 2025 considers the areas set out in the UK Corporate Governance Code relating to remuneration in so far as they are considered relevant to building societies, the relevant requirements of the Prudential Regulation Authority's Rulebook and Financial Conduct Authority's Remuneration Code.

## Purpose of the report

The report includes an overview of Executive and Non-Executive Directors' remuneration, as well as a summary of how our Remuneration & People Committee helped shape our culture during 2025.

## Remuneration & People Committee

The primary objective of the Remuneration & People Committee, under delegated authority from the Board, is to make recommendations to the Board on the general remuneration policy of the Society including the remuneration of Executive Directors. In addition to this, the Committee provides general oversight of all aspects of people and culture at The Cambridge.

The Committee ensures that remuneration is in line with the Society's values, corporate objectives, and ambitions. The Committee has responsibility for approving the Society's:

- Remuneration policy
- Organisational Design policy
- Non-Executive Directors' Expenses policy.

In 2025 the Remuneration & People Committee met on four occasions. It is made up of three Non-Executive Directors as shown on pages 18 to 21. The Chief Executive, Chief Operating Officer and Head of People attend some agenda items by invitation.

As well as approving the above policies, the Remuneration & People Committee's activities in 2025 included:

- Consideration of the Society's annual pay review and related rewards for 2025
- Approval and monitoring of the Society's variable pay scheme 'Sharing in Success', including agreement of related objectives
- Meeting directly with team members from Our Forum to understand our workplace culture from their perspective
- Having oversight of the Society's Executive succession plan
- Receiving an update on our approach to Diversity, Inclusion and Belonging which included an update on the Society's Gender Pay Gap and progress against Women in Finance Charter targets
- Reviewing the changes in the Employment Rights Bill and the impact these changes will have on the Society
- Ensuring compliance with current regulatory requirements and their impact on the organisation

## Remuneration in 2025

The Strategic Report provides an overview of the performance of the Society during 2025.

The Remuneration & People Committee reviews Executive Director remuneration annually to ensure that it is sufficient to attract, retain and motivate appropriately skilled individuals whilst balancing Society finances and affordability. On an ongoing basis it considers the alignment of Executive Director objectives with Society objectives, and individual Executive Director performance.

In line with team member remuneration, the Executive Directors received a salary increase on 1st April 2024. The Committee also reviewed and determined the remuneration for those holding 'Head of department' roles.

The remuneration of the Executive Directors is shown on page 29.



## Other Remuneration Code requirements

The Society adheres to the requirements of the Remuneration Code as defined by the Financial Conduct Authority. Terms of Reference for the Committee are available on the Society's website. The Non-Executive Directors do not receive any element of variable remuneration.

All members eligible to vote at the Society's Annual General Meeting will have the opportunity to approve the Annual Report on Remuneration through an ordinary resolution (non-binding). The 2024 Report received a 92.7% positive vote.

## Remuneration policy

The Society's remuneration policy governs its approach to salary, benefits and bonus scheme construction. All elements of remuneration are reviewed on an annual basis.

The Society's policy for the reward of Executive Directors and Leadership Team is to ensure that remuneration is aligned to their overall responsibilities and delivery of corporate objectives. This includes ensuring that the delivery of objectives is in line with the Society's view on risk.

A variable pay scheme known as 'Sharing in Success' is in place for all team members. The scheme focuses on the importance of customer experience, Society profitability and the long-term financial wellbeing of the organisation. The Executive Directors participate in this scheme on an equal basis with other team members. There is no separate Executive Director bonus scheme.

## Non-Executive Directors

The level of fees payable to Non-Executive Directors is assessed using information from comparable organisations.

Remuneration comprises a basic fee with a supplementary payment for the Chair, Vice Chair, Consumer Duty champion and committee chairs.

Fees for Non-Executive Directors are not pensionable and Non-Executive Directors do not take part in any incentive scheme nor receive any other benefits. Non-Executive Directors do not have employment contracts with the Society.

Fees are set by the Chair and Chief Executive (except for the Chair, whose fee is set by the Remuneration & People Committee) and hence no Director takes part in any discussion concerning their own fee.

## Executive Directors

The remuneration of Executive Directors reflects their responsibilities and roles within the Society. This year it comprised basic salary and various benefits. The Society has no share option scheme and none of the Executive Directors has any beneficial interest in, nor any rights to subscribe for shares in or debentures of, any connected undertaking of the Society.

## Basic salary

Salaries are reviewed on an annual basis and are benchmarked against both the sector and the wider financial services sector.

# Directors' Remuneration Report

for the year ended 31st December 2025 (continued)

## Sharing In Success Scheme

The Society operates an annual 'Sharing in Success' variable pay scheme. All team members, including Executive Directors, are eligible to participate on the same basis.

The Remuneration & People Committee agrees the scheme rules on an annual basis and assesses whether and to what extent any payment should be made, giving due regard to affordability, compliance, ethical standards and appropriate risk management.

The scheme in 2025 again focused on performance against two measures: customer satisfaction and controllable profit, and set indicative targets for a potential payment range of between 0 and 15% of an individual's basic pay.

The Remuneration & People Committee agree the level of payment to be made and every participant receives the same percentage of their basic pay.

## Pensions and other benefits

Executive Directors are entitled to pension and other benefits on the same basis as all other team members.

They are members of the Society's Group Personal Pension Scheme, details of which are set out in Note 25 on pages 60 to 62.

Alongside all staff members they may apply for a mortgage on a subsidised interest basis and participate in the Society's private healthcare arrangements.

## Recruitment policy for Executive Directors

The Committee's approach is to set remuneration with regard to market norms and reflect the individual's skills, knowledge and behaviour. Any new Executive Director's remuneration will be consistent with our remuneration policy as outlined in this report.

### Pauline Caldwell

Chair of the Remuneration & People Committee  
17th March 2026



	Society 2025					Society 2024				
	Salary (Gross)	Performance related pay	Benefits	Pension contribution	Total 2025	Salary (Gross)	Performance related pay	Benefits	Pension contribution	Total 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Non-Executive Directors</b>										
<b>John Spence</b> (Chairman)	58	-	-	-	58	56	-	-	-	56
<b>Fiona Hotston Moore</b> (Vice Chair)	39	-	-	-	39	38	-	-	-	38
<b>Pauline Caldwell</b>	39	-	-	-	39	38	-	-	-	38
<b>Harriet Hunnoble</b>	34	-	-	-	34	32	-	-	-	32
<b>Mark Jeffries</b>	39	-	-	-	39	35	-	-	-	35
<b>Daniel Mundy</b>	39	-	-	-	39	38	-	-	-	38
<b>Stephen O'Donnell</b> (Joined Board 1st February 2025)	31	-	-	-	31	-	-	-	-	-
<b>Andrew Rice</b> (Retired 31st January 2025)	3	-	-	-	3	35	-	-	-	35
<b>Total</b>	<b>282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272</b>
<b>Executive Directors</b>										
<b>Peter Burrows</b> (Chief Executive Officer)	325	44	1	39	409	290	41	1	35	367
<b>Richard Brockbank</b> (Chief Financial Officer)	245	30	1	21	297	198	46	1	24	269
<b>Carole Charter</b> (Chief Commercial Officer)	159	22	1	22	204	147	18	1	21	187
<b>Lucy Crumplin</b> (Chief Operating Officer)	169	23	1	20	213	155	39	1	19	214
<b>Sandhya Kawar</b> (Chief Risk Officer)	230	19	1	28	278	129	28	1	33	191
<b>Total</b>	<b>1,128</b>	<b>138</b>	<b>5</b>	<b>130</b>	<b>1,401</b>	<b>919</b>	<b>172</b>	<b>5</b>	<b>132</b>	<b>1,228</b>
<b>Total Directors' remuneration</b>	<b>1,410</b>	<b>138</b>	<b>5</b>	<b>130</b>	<b>1,683</b>	<b>1,191</b>	<b>172</b>	<b>5</b>	<b>132</b>	<b>1,500</b>

# Statement of Directors' Responsibilities

for the year ended 31st December 2025

## Directors' responsibilities in respect of the Annual Report, the Annual Business Statement, the Directors' Report and the annual accounts

The Directors are responsible for preparing the Annual Report, Annual Business Statement, Directors' Report and the annual accounts in accordance with applicable law and regulations.

The Building Societies Act 1986 (the Act) requires the Directors to prepare annual accounts for each financial year. Under that law they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The annual accounts are required by law to give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the income and expenditure of the Society for the financial year.

In preparing the annual accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the annual accounts
- Prepare the annual accounts on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

In addition to the annual accounts the Act requires the Directors to prepare, for each financial year, an Annual Business Statement and a Directors' Report, each containing prescribed information relating to the business of the Society.

## Directors' responsibilities for accounting records and internal controls

The Directors are responsible for ensuring that the Society:

- Keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society, in accordance with the Companies Act 2006
- Takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business in accordance with the rules made by the Financial Conduct Authority and Prudential Regulation Authority under the Financial Services and Markets Act 2000.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the UK governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

# Independent Auditor's Report

to the members of The Cambridge Building Society

From Martin Orme, Senior Statutory Auditor

## Opinion

We have audited the annual accounts of The Cambridge Building Society (the 'Society') for the year ended 31st December 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Members' Interests, the Statement of Cashflows and Notes to the Annual accounts, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the annual accounts:

- Give a true and fair view of the state of the Society's affairs as at 31st December 2025 and of the Society's income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Building Societies Act 1986.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the annual accounts' section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the annual accounts in the UK, including the Financial Reporting Council's (FRC) Revised Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the annual accounts, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the annual accounts is appropriate.

Our audit procedures to evaluate the Directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Society's ability to continue as a going concern
- Obtaining an understanding of the relevant process relating to the Directors' going concern assessment
- Making enquiries of the Directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Society's future financial performance
- Challenging the appropriateness of the Directors' key assumptions in their cash flow forecasts by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the Directors' consideration of severe but plausible scenarios. This included reviewing the Society's latest 5-year corporate plan, latest Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) documents and its reverse stress testing
- Performing sensitivity analysis by flexing the stress scenarios to assess the impact on the capital and liquidity position of the Society
- Assessing the reasonableness and testing arithmetical accuracy of the forecasts prepared by the Directors, including evaluating the historical accuracy of past forecasts
- Assessing and challenging key assumptions and mitigating actions put in place in response to the current economic situation, including but not limited to, the 'cost of living crisis', inflation, levels and interest rates
- Reviewing the correspondence with the regulators to identify and assess the impact of matters that may impact the going concern assessment up to the date of signing the audit report
- Considering the consistency of the Directors' forecasts with other areas of the annual accounts and our audit; and
- Evaluating the appropriateness of the Directors' disclosures in the annual accounts on going concern.

# Independent Auditor's Report

## to the members of The Cambridge Building Society (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matter in forming our audit opinion above, together with an overview of the principal audit procedures performed to address the matter and our key observations arising from those procedures.

This matter, together with our findings, was communicated to those charged with governance through our Audit Completion Report.



### Key audit matter

#### Credit risk: Allowance for impairment losses on loans and advances to customers £1.3m; (2024: £1.2m) – Note 1.7, 1.17 and 14

Credit risk is an inherently judgemental area due to the use of subjective assumptions and a high degree of management estimation in calculating the year-end provision.

In calculating the individual provisions, management applies judgement in identifying loans that require individual impairment assessments and in estimating the recoverable amount from the underlying collateral.

In addition to individual provisions, the Society is also required to estimate a collective provision for losses incurred but not yet identified by the Society.

Due to historically low incidents of loss, The Society has limited actual loss experience on which to base its impairment assessment of the loan portfolio, resulting in management judgement being required in deriving assumptions to be applied in the assessment.

The estimates for collective impairment are derived using a combination of the Society's historical experience and, due to the Society's limited loss experience, external data, adjusted for current market conditions. The impairment assessment is most sensitive to movements in the probabilities of default (PDs) and forced sale discounts (FSD) applied to collateral values which is used to calculate the loss given default (LGD).

### How our scope addressed this matter

Our audit procedures included, but were not limited to:

- We evaluated the design and implementation, and tested the operating effectiveness, of the key controls in relation to credit processes (loan origination and approval, redemptions and arrears monitoring)
- With the assistance of our quantitative solution experts we:
- Assessed the Society's impairment methodology against the applicable accounting standards
- Assessed the reasonableness of assumptions and judgements made in the provisioning model
- Developed an auditor's range of estimates for the collective provision and point estimates on individual provisions using alternative external datasets for PDs and independent alternative external datasets for FSD assumptions
- Assessed the reasonableness and appropriateness of external and internal data used within the provisioning model based on our understanding of the Society's portfolio
- With the assistance of our property valuation experts, we challenged the reasonableness of the FSD assumptions applied in determining future cash flows from recovery of collateral
- We stratified the loan book based on risk characteristics such as arrears status, forbearance flagging and loan to value (LTV) ratios to identify individual loans which may have unidentified impairments
- We independently assessed the recoverability of cashflows on a sample of exposures selected on risk-based criteria
- We tested the completeness and accuracy of loans that are assessed by management for specific and collective impairment provision including rebuilding and reperforming model calculations for the provision charge
- We performed a stand back assessment of the impairment estimates to assess their appropriateness; and
- We assessed the adequacy of the Society's disclosures in relation to the degree of estimation uncertainty involved in arriving at the allowance for impairment losses on loans and advances to customers.

#### Our observations

The allowance for impairment on loans and advances to customers is reasonable and in compliance with IAS 39.

# Independent Auditor's Report

## to the members of The Cambridge Building Society (continued)

### Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual annual account line items and disclosures and in evaluating the effect of misstatements, both individually and on the annual accounts as a whole. Based on our professional judgement, we determined materiality for the annual accounts as a whole as follows:

<b>Overall materiality</b>	£1,100,000 (2024: £1,000,000)
<b>How we determined it</b>	0.75% of net assets (2024: 0.75% of net assets)
<b>Rationale for benchmark applied</b>	<p>We consider that net assets is the most appropriate benchmark to use for the Society, whose strategy is to provide mortgages, savings products and other financial services for the mutual benefit of members and customers and not one of profit maximisation.</p> <p>Further, net assets as a benchmark is supported by the fact that regulatory capital is a key benchmark for management and regulators, where net reserves is an approximation of regulatory capital resources.</p>
<b>Performance materiality</b>	<p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the annual accounts exceeds materiality for the annual accounts as a whole.</p> <p>Performance materiality of £770,000 (2024: £700,000) was applied in the audit based on 70% (2024: 70%) overall materiality. We considered several factors in determining performance materiality, including the level and nature of uncorrected and corrected misstatements in the prior year and the robustness of the control environment, and concluded that an amount towards the upper end of our normal range was appropriate.</p>
<b>Reporting threshold</b>	We agreed with the Directors that we would report to them misstatements identified during our audit above £33,000 (2024: £30,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the annual accounts, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the Directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the annual accounts as a whole. We used the outputs of a risk assessment, our understanding of the Society, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all annual accounts line items.

### Other information

The other information comprises the information included in the annual report and accounts other than the annual accounts and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the annual accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on the Annual Business Statement and the Directors' Report

In our opinion, based on the work undertaken in the course of the audit:

- The Annual Business Statement and the Directors' Report have been prepared in accordance with the Building Societies Act 1986
- The information in the Directors' Report for the financial year is consistent with the accounting records and the annual accounts
- The information given in the Annual Business Statement (other than the information on which we are not required to report) gives a true representation of the matters in respect of which it is given.

In light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Building Societies Act 1986 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Society
- The Society's annual accounts are not in agreement with the accounting records
- We have not received all the information and explanations and access to documents we require for our audit.

### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Directors are responsible for the preparation of the annual accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report

## to the members of The Cambridge Building Society (continued)

### Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Society and its industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) and anti-money laundering regulations, and we considered the extent to which non-compliance with these laws and regulations might have a material effect on the annual accounts.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance with laws and regulations, our procedures included but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Society, the industry in which it operates, and considering the risk of acts by the Society which were contrary to the applicable laws and regulations including fraud
- Inquiring of the Directors, management and, where appropriate, those charged with governance, as to whether the Society is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations
- Inspecting correspondence with relevant licensing or regulatory authorities, including the PRA and FCA up to the date of signing the audit report

- Attending a bilateral meeting with the PRA
- Reviewing minutes of Directors' meetings in the year up to the date of signing the audit report
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance
- Focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the annual accounts from our general commercial and sector experience and through discussions with the Directors.

We also considered those other laws and regulations that have a direct impact on the preparation of annual accounts, such as the Building Societies Act 1986 and UK tax legislation.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the annual accounts, including the risk of management override of controls. We determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud
- Gaining an understanding of the internal controls established to mitigate risks related to fraud
- Discussing amongst the engagement team the risks of fraud
- Addressing the risks of fraud through management override of controls by performing journal entry testing
- Being sceptical to the potential of management bias through judgements and assumptions in significant accounting estimates, in particular in relation to impairment of loans and advances to customers, valuation of the defined benefit pension scheme obligation, property valuation, hedging and application of effective interest rates in revenue recognition and performing the procedures described in the 'Key audit matters' section of our report.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.



The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under 'Key audit matters' within this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Directors on 21st July 2020 to audit the annual accounts for the year ended 31st December 2020 and subsequent financial periods. The period of total uninterrupted engagement is six years, covering the years ended 31st December 2020 to 31st December 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Society and we remain independent of the Society in conducting our audit. Our audit opinion is consistent with our additional report to the Audit Committee.

### Use of the audit report

This report is made solely to the Society's members as a body in accordance with section 78 of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body for our audit work, for this report, or for the opinions we have formed.

### Martin Orme (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor  
30 Old Bailey, London EC4M 7AU  
17th March 2026

# Annual Accounts 2025

for the year ended 31st December 2025

## Statement of Comprehensive Income

	Notes	2025	2024
		£000	£000
Interest receivable and similar income	2	100,188	100,202
Interest payable and similar charges	3	(68,422)	(72,215)
<b>Net interest income</b>		<b>31,766</b>	<b>27,987</b>
Income from shares in subsidiary undertakings (dividends)		–	–
Fees and commissions receivable		1,229	860
Fees and commissions payable		(41)	(30)
Other operating income		55	47
Net gain from other financial instruments at fair value through profit and loss	4	4,560	5,369
<b>Net profit or loss on financial operations</b>		<b>37,569</b>	<b>34,233</b>
Other operating charges		(2,427)	(1,393)
Administrative expenses	5	(22,936)	(20,779)
Depreciation and amortisation	15, 16	(1,269)	(1,211)
<b>Operating profit before impairment losses and provisions</b>		<b>10,937</b>	<b>10,850</b>
Impairment credit/(losses) on loans and advances	14	(104)	606
Losses on provisions for liabilities	24	(35)	(46)
<b>Profit before tax</b>		<b>10,798</b>	<b>11,410</b>
Tax expense	8	(2,816)	(2,936)
<b>Profit for the financial year</b>		<b>7,982</b>	<b>8,474</b>
<b>Other comprehensive income</b>			
Remeasurement of the net defined benefit liability	25	293	316
Fair value adjustment on available for sale financial instruments		169	26
Deferred tax in respect of valuation gains on freehold property		(351)	23
Deferred tax arising on losses / (gains) in the pension scheme		75	(79)
Revaluation loss on freehold property	17	(99)	151
<b>Total comprehensive income for the year</b>		<b>8,069</b>	<b>8,911</b>

Profit for the financial year arises from continuing operations. Both the profit for the financial year and total comprehensive income for the period are attributable to the members of the Society.

The Notes on pages 42 to 75 form part of the financial statements.

## Statement of Financial Position

	Notes	2025	2024
		£000	£000
<b>Assets</b>			
Liquid assets			
Cash in hand	9	208,176	246,488
Loans and advances to credit institutions	10	27,235	41,752
Debt securities	11	120,756	98,342
Derivative financial instrument assets	12	1,917	14,134
Loans and advances to customers	13	1,746,295	1,589,208
Intangible assets	15	1,886	1,858
Tangible fixed assets	16	7,138	7,656
Investment properties	17	3,290	3,099
Other debtors	18	3,809	3,189
<b>Total assets</b>		<b>2,120,502</b>	<b>2,005,726</b>
<b>Liabilities</b>			
Shares	19	1,853,093	1,732,380
Amounts owed to credit institutions	20	8,543	12,688
Amounts owed to other customers	21	105,238	115,090
Derivative financial instrument liabilities	12	4,627	1,622
Other liabilities	22	1,605	2,205
Accruals and deferred income	22	2,675	2,812
Deferred tax liability	23	115	91
Provisions for liabilities	24	334	352
Retirement benefit obligations	25	3,020	4,429
<b>Total liabilities</b>		<b>1,979,251</b>	<b>1,871,669</b>
<b>Reserves</b>			
General reserves		123,736	116,496
Revaluation reserve		2,445	2,660
Core capital deferred shares	30	15,000	15,000
Available for sale reserves		70	(99)
<b>Total reserves attributable to members of the Society</b>		<b>141,251</b>	<b>134,057</b>
<b>Total reserves and liabilities</b>		<b>2,120,502</b>	<b>2,005,726</b>

The Notes on pages 42 to 75 form part of the financial statements.

These accounts were approved by the Board of Directors on 17th March 2026 and signed on its behalf:

**John Spence**  
Chairman

**Mark Jeffries**  
Non-Executive Director

**Peter Burrows**  
Chief Executive

**Richard Brockbank**  
Chief Financial Officer

# Annual Accounts 2025

for the year ended 31st December 2025 (continued)

## Statement of Changes in Members' Interests

2025					
	General reserve £000	Revaluation reserve £000	Core capital deferred shares £000	Available for sale reserve £000	Total £000
Balance at 1st January	116,670*	2,660	15,000	(99)	134,231
<b>Total comprehensive income for the period</b>					
Profit or loss	7,982	–	–	–	7,982
Other comprehensive income	17	(99)	–	169	87
<b>Total comprehensive income for the period</b>	<b>7,999</b>	<b>(99)</b>	<b>–</b>	<b>169</b>	<b>8,069</b>
Transfers between reserves	116	(116)	–	–	–
Distribution to the holders of core capital deferred shares	(1,049)	–	–	–	(1,049)
<b>Balance at 31st December</b>	<b>123,736</b>	<b>2,445</b>	<b>15,000</b>	<b>70</b>	<b>141,251</b>

\* We have re-stated the opening general reserves balance by £174k to reflect the accelerated depreciation which relates back to pre-2012

2024					
	General reserve £000	Revaluation reserve £000	Core capital deferred shares £000	Available for sale reserve £000	Total £000
Balance at 1st January	109,191	2,618	15,000	(125)	126,684
<b>Total comprehensive income for the period</b>					
Profit or loss	8,474	–	–	–	8,474
Other comprehensive income	258	151	–	26	435
<b>Total comprehensive income for the period</b>	<b>8,732</b>	<b>151</b>	<b>–</b>	<b>26</b>	<b>8,909</b>
Transfers between reserves	109	(109)	–	–	–
Distribution to the holders of core capital deferred shares	(1,536)	–	–	–	(1,536)
<b>Balance at 31st December</b>	<b>116,496</b>	<b>2,660</b>	<b>15,000</b>	<b>(99)</b>	<b>134,057</b>

The Notes on pages 42 to 75 form part of the financial statements.

## Statement of Cash Flows

	Notes	2025 £000	2024 £000
<b>Cash flows from operating activities</b>			
Profit before tax		10,798	11,410
<b>Adjustments for</b>			
Depreciation and amortisation	15, 16	1,269	1,215
Gain on disposal of tangible fixed assets	16	(400)	(6)
Fair value (loss)/gain on Investment property	17	331	(1)
Decrease in provision for liabilities	24	(18)	(40)
Amortisation of debt securities	11	(1,225)	(911)
Increase/(Decrease) in impairment of loans and advances 14 105 (606)	14	105	(606)
Gain on derivative financial instruments	12, 13	2,702	(1,136)
<b>Total</b>		<b>13,562</b>	<b>9,925</b>
<b>Changes in operating assets and liabilities</b>			
Increase in prepayments, accrued income and other assets	18	(545)	(240)
(Increase)/Decrease in accruals, deferred income and other liabilities	22	(252)	222
Increase in loans and advances to customers	13	(144,672)	(59,040)
Increase in shares	19	120,713	159,398
Decrease in amounts owed to other credit institutions	20	(4,145)	(1,747)
Increase in amounts owed to other customers	21	(9,851)	(44,180)
Increase in other liquid assets	11	–	(1)
Increase/(Decrease) in loans and advances to credit institutions	10	16,893	(22,229)
Post-employment benefits less payments	25	(1,467)	(1,060)
Taxation paid	8	(3,277)	(5,711)
<b>Net cash (utilised)/generated in operating activities</b>		<b>(13,041)</b>	<b>35,337</b>
<b>Cash flows from investing activities</b>			
Purchase of debt securities	11	(82,439)	(115,584)
Disposal of debt securities	11	61,419	76,917
Purchase of tangible fixed assets	16	(82)	(300)
Disposal of tangible fixed assets	16	497	11
Investment property additions	17	(523)	(928)
Purchase of intangible assets	17	(718)	(656)
<b>Net cash used in investing activities</b>		<b>(21,846)</b>	<b>(40,540)</b>
<b>Cash flows from financing activities</b>			
Distribution to holders of Core Capital Deferred Shares	30	(1,049)	(1,536)
<b>Net cash used in financing activities</b>		<b>(1,049)</b>	<b>(1,536)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(35,936)</b>	<b>(6,739)</b>
Cash and cash equivalents at 1st January		257,457	264,196
<b>Cash and cash equivalents at 31st December</b>		<b>221,521</b>	<b>257,457</b>
<b>Represented by:</b>			
Cash and balances with the Bank of England	9	208,176	246,488
Loans and advances to credit institutions repayable on demand	10	13,345	10,969
		<b>221,521</b>	<b>257,457</b>

The Notes on pages 42 to 75 form part of the financial statements.

# Notes

## for the year ended 31st December 2025

### 1. Accounting policies

#### 1.1. General information and basis of preparation

The Cambridge Building Society (the 'Society') has prepared these annual accounts in accordance with the Building Societies Act 1986, the Building Societies (Accounts and Related Provisions) Regulations 1998 and Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The address of the registered office is given on the back cover of this report.

The Society has also chosen to apply the recognition and measurement provision of IAS 39 Financial Instruments: Recognition and Measurement. The presentation currency of these annual accounts is sterling. All amounts in the annual accounts have been rounded to the nearest £1,000.

The Directors are required to consider whether the Society will continue as a going concern for a period of at least 12 months from the signing of the accounts. In making the assessment the Directors have reviewed the Society's five-year plans and forecasts, including related funding, capital needs and a robust assessment of the principal risks facing the Society, the Directors consider that the Society remains viable and is able to generate adequate profits for regulatory capital requirements and holds sufficient liquidity to maintain its solvency.

The Society has maintained strong liquidity and capital positions and the Directors are satisfied that this will continue for at least the 12-month period from the signing of the accounts. This view is based upon the Board's conclusion that the Society has adequate resources to continue in operational existence and continue to meet its liabilities over the five year planning period and so they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these annual accounts.

#### 1.2. Measurement convention

The annual accounts are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: Freehold property, Investment property, derivative financial instruments, Pension assets, Defined benefit obligations and hedged items in designated hedging relationships and financial instruments classified at fair value through the profit or loss (FVTPL) or available-for-sale.

#### 1.3. Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Society estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the Statement of Comprehensive Income and other comprehensive income include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- Interest on available-for-sale investment securities calculated on an effective interest basis

Fair value changes on derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net income from other financial instruments at fair value through profit or loss in the Income Statement. Realised cash flows on interest rate swaps are included in interest income Note 2.

#### 1.4. Fees and commissions

Fees and commission income and expenses that are directly attributable to the acquisition or issue of the financial asset or financial liability are included in the measurement of the effective interest rate. Other fees and commission income are recognised as the related services are performed.

#### 1.5. Hedge accounting

The Society uses derivatives solely for the purposes of risk management. Derivatives are measured and recorded in the Statement of Financial Position at fair value and classified as assets when the fair value is positive and as liabilities when the fair value is negative. Derivatives are valued by discounting cash flows using yield curves that are based on observable market data.

#### Hedge accounting

Certain derivatives held for risk management purposes are held as hedging instruments in qualifying hedging relationships. To designate as being in a hedging relationship, the Society formally documents the relationship between the hedging instrument and the hedged item, including the strategy and risk management objective for undertaking the hedge together with a description of the methodology that will be used to determine the effectiveness of the hedging relationship. An assessment is made at the inception of the hedge relationship and on an ongoing basis throughout the hedging relationship to ensure the hedge is, and remains, highly effective in offsetting changes in the fair value of the hedged items during the period for which the hedge is designated. A hedge is considered to be highly effective where the results of the hedge effectiveness testing are within a range of 80% to 125%.

#### Fair value hedges

A fair value hedge is used to hedge exposures to variability in the fair value of financial assets. For example, the Society hedges fixed rate mortgages. Changes in fair value of the derivatives are immediately recognised in the Income Statement together with changes in the fair value of the hedged items attributable to the hedged risk.

Hedge account is discontinued prospectively if the derivative expires, is sold, terminated, or exercised or if the hedge no longer satisfies the criteria for hedge accounting or the hedge designation is revoked. Any cumulative adjustment to the hedged item is amortised to the Income Statement over its expected remaining life.

In order to manage its interest rate risk the Society may enter into derivative contracts to hedge fixed rate mortgages at the point of offer. No qualifying hedge relationship can exist until the mortgages in question are completed and so changes in the fair value of the derivatives are immediately recognised in the Income Statement without any corresponding movements in the value of the mortgages to be hedged.

#### 1.6. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the annual accounts. Deferred tax assets and liabilities are recognised gross on the statement of financial position and deferred tax assets are only recognised where it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Both current and deferred taxes are determined using tax rates enacted or substantively enacted at the balance sheet date.

#### 1.7. Financial instruments

##### Recognition

The Society initially recognises loans and advances and deposits on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Society becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value with adjustment of transactions costs and fees which are directly attributable to its acquisition or issue and subsequently measured at fair value through profit or loss.

##### Classification

##### Financial assets

The Society classifies its non-derivative financial assets as loans and receivables, available for sale assets or at fair value through profit or loss (now referred to as Income Statement). No financial assets are classified as held-to-maturity:

- **Loans and receivables**

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Society does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, transaction fees, and subsequently measured at their amortised cost using the effective interest method (see Note 1.3).

# Notes

## for the year ended 31st December 2025 (continued)

- **Available for sale**

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial asset. The Society's debt securities are classified as available for sale assets. Unquoted equity securities whose fair value cannot be measured reliably are carried at cost. All other available-for-sale investments are measured at fair value after initial recognition.

Interest income on debt securities is recognised in profit or loss using the effective interest method (see Note 1.3). Impairment losses are recognised in profit or loss.

Other fair value changes, other than impairment losses, are recognised in other comprehensive income and presented in the available for sale reserve. When the investment is sold, the gain or loss accumulated in available for sale reserve is reclassified to profit or loss.

- **At fair value through profit and loss**

The Society uses derivatives only for risk management purposes. Derivatives are measured at fair value in the statement of financial position. Any gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

On initial designation of the hedge, the Society formally documents the relationship between the hedging instrument and hedged item, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship.

The Society makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instrument is expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80% to 125%.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability such as fixed rate mortgages and savings products, all changes in the fair value of the derivative are recognised immediately in profit or loss. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged. If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into profit or loss using the effective interest method over the remaining life of the hedged item.

### Financial liabilities

Non-derivative financial liabilities, which includes the Society's shares, deposits and wholesale borrowings are measured at amortised costs with interest recognised using the effective interest method. Derivative financial liabilities are recognised at fair value on inception with movements in fair value being recognised in the profit and loss.

### Derecognition

The Society derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

The Society derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

### Identification and measurement of impairment

Throughout the year and at year end, the Society assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset is 'impaired' when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that a financial asset is impaired includes:

- Significant financial difficulty of the borrower or issuer
- Default or delinquency by a borrower
- The renegotiating of a loan or advance by the Society on terms less favourable to the Society
- Indications that a borrower or issuer will enter bankruptcy or other financial reorganisation
- Any other information discovered during regular review suggesting that a loss is likely in the short to medium term.

The Society considers evidence of impairment for loans at both a specific asset and a collective level. All individually significant loans and advances are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Society analyses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than is suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the Income Statement and reflected in a provision against loans and receivables. Interest on the impaired assets continues to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through the income statement.

### Forbearance strategies and renegotiated loans

A range of forbearance options are available to support customers in financial difficulty. These are designed to achieve the best outcome for the customer and the Society by dealing with borrowers' financial difficulties at an early stage. These may include:

- Reduced monthly payment
- An arrangement to clear outstanding arrears (a repayment plan)
- Capitalisation of arrears
- Conversion of terms from repayment to interest only
- Extension of the mortgage term.

These accounts are subject to ongoing monitoring to ensure that the forbearance measures remain appropriate.

### 1.8. Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash comprises cash in hand and unrestricted loans and advances to credit institutions repayable on demand. Cash equivalents comprise highly liquid unrestricted investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

The Cash Flow Statement has been prepared using the indirect method.

### 1.9. Tangible fixed assets

Leasehold properties, motor vehicles, office and computer equipment are held at historical cost less accumulated depreciation and impairment losses.

Freehold properties are stated at revalued amounts, being the fair value, determined by market-based evidence at the date of valuation, less any depreciation subsequently accumulated and subsequent impairment.

Full valuations are completed at least every five years followed by interim valuations three years later. The Directors review the valuations to confirm that they remain appropriate in the intervening years.

Increases in valuations of freehold properties are credited to the Revaluation reserve except to the extent that they reverse previous impairment losses recognised in the Income Statement for the same assets, in which case they are credited to the Income Statement. Decreases in valuations are recognised in the Income Statement except to the extent that they reverse amounts previously credited to the Revaluation reserve for the same assets, in which case they are recognised in the Revaluation reserve.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example capitalised costs of refurbishment are treated separately from buildings.

Short leasehold premises comprise improvements to leasehold properties.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- **Freehold buildings**  
50 years
- **Short leasehold premises**  
over the remainder of the lease
- **Office, computer equipment and motor vehicles**  
four to five years

The Society assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are also reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Society expects to consume an asset's future economic benefits.

# Notes

## for the year ended 31st December 2025 (continued)

### 1.10. Intangible assets

Intangible assets comprise purchased software and costs directly associated with the development of computer software where the asset will generate future economic benefits and where costs can be reliably measured.

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

#### Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- **Software and capitalised development costs** five years

The Society reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are regularly tested for impairment. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Computer software is recognised as an intangible asset when, and only when, development expenditure is directly attributable to the design and testing of identifiable software and the following are demonstrated, i.e. technical feasibility of completion; management's intention and ability to complete and use or sell the software; probable future economic benefits; availability of adequate resources to complete the project; and the ability to measure reliably the attributable expenditure. Development expenditure that does not meet these criteria and maintenance or day-to-day servicing costs of software is expensed as incurred and amounts previously expensed are not reinstated as assets.

### 1.11. Investment property

Investment properties include those portions of freehold land and buildings owned by the Society that are held to achieve rental income, capital appreciation or both. Investment properties are initially recognised at cost and subsequently carried at fair value, determined by independent professional valuers on an open market value basis.

Full valuations are completed at least every five years followed by interim valuations three years later. The Directors review the valuations to confirm that they remain appropriate in the intervening years.

Changes in fair values are recognised in the Income Statement. The cost of renovations or improvements is capitalised and the cost of maintenance, repairs and minor improvements is recognised in the Income Statement when incurred. No depreciation is charged on investment properties. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the Income Statement.

Transfers between investment property and tangible fixed assets occur only when there is a change in use of the property, evidenced by appropriate events or circumstances. A transfer from investment property to tangible fixed assets is made when the property becomes owner-occupied for the purposes of the Society's operations. Conversely, a transfer from tangible fixed assets to investment property is made when the property is no longer used in the Society's operations and is instead held for rental income or capital appreciation.

Where a property is transferred from investment property to tangible fixed assets, the property's fair value at the date of transfer becomes its deemed cost for subsequent accounting under the revaluation model for tangible fixed assets. Any revaluation gains or losses recognised up to the date of transfer remain in equity in accordance with the treatment under the revaluation model.

Where a property is transferred from tangible fixed assets to investment property, the carrying amount at the date of transfer, after any revaluation adjustments, is treated as deemed cost and the property is subsequently measured at fair value, with changes in fair value recognised in the Income Statement from the date of transfer.

### 1.12. Employee benefits

#### Pension schemes

The Society operated a contributory defined benefit scheme until 31st December 2009 when it was closed to future service accrual. The assets are held in a separate trustee administered fund. Included within the statement of financial position is the Society's net obligation calculated as the present value of the defined benefit obligation less the fair value of plan assets less any unrecognised past service costs. Any re-measurements that arise are recognised immediately in other comprehensive income through the statement of comprehensive income. The finance cost is recognised within finance income and expense in the Income Statement. The finance cost is the increase in the defined benefit obligation which arises because the benefits are one period closer to settlement.

Contributions are transferred to the trustee administered fund on a regular basis to secure the benefits provided under the rules of the scheme. Pension costs are assessed in accordance with the advice of a professionally qualified actuary.

The Society also operates a contributory defined contribution pension scheme. The assets for this scheme are also held separately from those of the Society. For this scheme the cost is charged to the Income Statement as contributions become due.

#### Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

### 1.13. Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

### 1.14. Term Funding Scheme (TFS) and Term Funding Scheme with additional incentives for SMEs (TFSME)

In order for the Society to access funding from the Government's TFS and TFSME it has to pledge mortgage assets as collateral to the Bank of England.

As the risk and reward of ownership of the mortgage assets remains with the Society, these assets are retained on its balance sheet. The interest receivable on these assets continues to be the Society's and is accounted for as earned on an accruals basis.

### 1.15. Equity instruments

Issued financial instruments are classified as equity instruments where the contractual arrangement with the holder does not result in the Society having a present obligation to deliver cash or to transfer any other value. Accordingly, the Society's Core Capital Deferred Shares are treated as equity instruments.

Distributions to the holders of equity instruments are recognised when they are paid and are deducted from the General Reserve.

### 1.16. Making the Difference – Rent to Home

Amounts expected to be paid out under the Society's 'Rent to Home' scheme (whereby a portion of rental payments received is likely to be repaid to tenants in future) are not recognised as rental income and are instead held within other liabilities.

### 1.17. Accounting estimates and judgements

The Society makes estimates and judgements which affect the assets and liabilities reported in its Statement of Financial Position. These estimates and judgements are based upon historical experience and expectations of future events, and are kept under continual review. The Society's key assumptions are described below.

#### Accounting estimates

##### a) Impairment losses on loans and advances to customers

The Society holds provisions for impairment losses against loans on an individual and collective basis. The level of impairment requires a significant degree of judgement and estimation. Provisions are calculated using the historical loss experience of the Society as well as external indicators, however a number of assumptions are required such as realisable values and customer behaviour.

The Society reviews its mortgage portfolio at least quarterly to assess impairment. In determining whether an impairment loss should be recorded, the Society is required to exercise a degree of judgement, including the use of post-model adjustments to the impairment provision provided in Note 14. Impairment provisions are calculated using internally assessed probability of default statistics, historical arrears experience and expected cash flows. Estimates are applied to determining prevailing market conditions, including interest rates and house prices and the length of time expected to complete the sale of properties in possession. The accuracy of the provision would, therefore, be affected by unexpected changes to these assumptions.

Sensitivity analysis has been carried out on the allowance for impairment by:

- Altering the percentage of collateral that it is estimated would be recovered in the event of repossession by +/-5%
- Altering the probability of default by +/- 50%.

The combined effect of favourable stresses resulted in an increase in profit for the year of £606k. The combined effect of adverse stresses resulted in a decrease in profit for the year of £964k. The impairment provision would decrease or increase accordingly.

The carrying value of loans and advances to customers at 31st December 2025 is £1.7bn (2024: £1.6bn) Further detail is provided in Note 13.

# Notes

## for the year ended 31st December 2025 (continued)

### b) Defined benefit pension scheme

The Society makes significant judgements in the estimation of the defined benefit scheme liability. Significant judgements on areas such as future interest rates, future inflation or mortality rates have to be exercised in estimating the value of the assets and liabilities of the Society's defined benefit pension scheme. The assumptions used are set out in Note 25 to the accounts. The value of the pension scheme liabilities is most sensitive to the discount rate used. An increase of 0.1% in the discount rate applied would reduce the scheme's liabilities and therefore the net deficit by approximately £60,400. Similarly, a decrease of 0.1% in the discount rate would increase the deficit by approximately £60,400.

### c) Property valuation

Land and buildings and investment property are measured at fair value with a valuation exercise carried out periodically in accordance with Note 1.9 by an independent external valuer in accordance with the RICS Global Standards 2017 Edition (the 'Red Book').

The Society considers the methodology and assumptions used by the independent external valuers to be supportive, reasonable and robust; the final valuation may be different to one that would have been used had there been a ready market for an identical property.

For the majority of the Society's investment properties, fair value is estimated using the market valuation approach which uses prices and other relevant information generated by market transactions involving comparable properties. Where comparable transactions may not be available, the Society may also consider a discounted cash flow technique which considers the present value of the net cash flows to be generated from the property, taking into account expected rental growth, void periods and rent-free periods. The expected net cash flows are discounted using risk-adjusted discount rates.

The carrying value of the land and buildings and investment property at 31st December 2025 is £9.5m (2024: £9.8m) Further detail is provided in Note 16 and 17.

## 2. Interest receivable and similar income

	2025	2024
	£000	£000
On loans fully secured on residential property	80,393	72,645
On other loans	534	431
On liquid assets	16,253	18,687
Net interest income/(expense) on derivatives	3,007	8,438
	<b>100,188</b>	<b>100,202</b>

## 3. Interest payable and similar charges

	2025	2024
	£000	£000
On shares held by individuals	64,615	64,477
On other shares	1,623	1,715
On deposits and other borrowings	2,184	6,023
	<b>68,422</b>	<b>72,215</b>

## 4. Net gain/(loss) from other financial instruments at fair value through profit and loss

	2025	2024
	£000	£000
Derivatives in designated fair value hedge relationships	(12,363)	(1,777)
Movement in fair value of hedged items	10,493	132
Loss on financial instruments not in designated hedge relationships	234	59
Crystallised fair value gain on cancelled interest rate swaps	6,196	6,955
	<b>4,560</b>	<b>5,369</b>

## 5. Administrative expenses

	2025	2024
	£000	£000
Wages and salaries	10,812	9,801
Social security costs	1,368	1,072
Contributions to defined contribution plans	1,119	1,039
Expenses related to defined benefit plans	276	368
	<b>13,575</b>	<b>12,280</b>
Other administrative expenses	9,361	8,499
	<b>22,936</b>	<b>20,779</b>

The remuneration of the external auditor, which is included within other administrative expenses above, is set out below (excluding VAT):

	2025	2024
	£000	£000
Fees payable to the Society's auditor and its associates for other services:		
Audit of these annual accounts	295	258
Audit-related assurance services*	12	15
	<b>307</b>	<b>273</b>

\* Audit-related assurance services include CASS audit, s68 and Summary Financial Statement audits.

# Notes

## for the year ended 31st December 2025 (continued)

### 6. Employee numbers

The average number of persons employed by the Society (including Directors) during the year, analysed by category, was as follows:

	2025	2024
Executive Directors	5	5
Non-Executive Directors	7	7
Principal office and administration centre	174	166
Branch offices	59	57
	<b>245</b>	<b>235</b>

	Full-time	Part-time
Executive Directors	5	–
Non-Executive Directors	–	7
Principal office and administration centre	145	29
Branch offices	32	27
	<b>182</b>	<b>63</b>

### 7. Directors' remuneration

Directors' emoluments are set out within the Directors' Remuneration Report on pages 26 to 29.

Total Directors' emoluments for the year amounted to £1,684,714 (2024: £1,501,915). Details of Director loans and transactions are shown in Note 29.

### 8. Taxation

	2025	2024
	£000	£000
Current tax	2,799	2,637
Adjustments for prior years	17	(49)
	2,816	2,588
Deferred tax (Note 23)	–	347
<b>Total tax expense</b>	<b>2,816</b>	<b>2,936</b>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2025	2024
	£000	£000
<b>Profit before taxation</b>	<b>10,798</b>	<b>11,410</b>
Expected tax at 25.00% (2024: 25%)	2,700	2,853
Fixed asset differences	101	93
Adjustment for prior periods – deferred tax	(2)	40
Adjustments for prior years – current tax	17	(49)
<b>Tax expense for the year</b>	<b>2,816</b>	<b>2,936</b>

### 9. Cash and cash equivalents

	2025	2024
	£000	£000
Cash in hand	208,176	246,488
Loans and advances to credit institutions (see Note 10)	13,345	10,969
<b>Cash and cash equivalents per cash flow statements</b>	<b>221,521</b>	<b>257,457</b>

### 10. Loans and advances to credit institutions

	2025	2024
	£000	£000
<b>Loans and advances to credit institutions have remaining maturities as follows:</b>		
Repayable on demand	13,345	10,969
In more than three months	3,808	–
<b>Other loans and advances by residual maturity repayable:</b>		
In no more than three months	10,000	19,500
In more than three months	–	11,000
Accrued interest	82	283
	<b>27,235</b>	<b>41,752</b>

# Notes

## for the year ended 31st December 2025 (continued)

### 11. Debt securities

	2025	2024
	£000	£000
<b>Debt securities:</b>		
Covered bonds	50,487	37,428
Treasury bills	29,763	4,970
UK gilts	20,336	19,870
Fixed Rate bonds	20,171	36,074
	<b>120,756</b>	<b>98,342</b>

Debt securities are held as available for sale assets and carried at their fair value with movements reported through other comprehensive income. In the year ended 31st December 2025 the Society increased its holding of Covered bonds, Treasury bills and UK gilts issued by UK Government and acquired Fixed Rate bonds issued by other rated UK based financial institutions. In the year ended 31st December 2025 the Society continued to purchase debt from multilateral development banks.

Movements in debt securities during the year are summarised as follows:

	2025	2024
	£000	£000
At 1st January	98,342	58,739
Additions	82,440	115,584
Disposals and maturities	(61,419)	(76,918)
Net (losses)/gains from changes in fair value recognised in other comprehensive income	169	26
Accrued interest	1,225	911
<b>At 31st December</b>	<b>120,756</b>	<b>98,342</b>

### 12. Derivative financial instruments

	2025		2024	
	Positive market value £000	Negative market value £000	Positive market value £000	Negative market value £000
<b>Derivatives designated as fair value hedges:</b>				
Interest rate swaps	1,662	(4,489)	14,069	(1,115)
<b>Derivatives not designated in hedge accounting relationships:</b>				
Interest rate swaps	255	(138)	66	(508)
	<b>1,917</b>	<b>(4,627)</b>	<b>14,134</b>	<b>(1,622)</b>

The composition of the portfolio of derivative financial instruments used in hedges and held at each year end is shown in the table below:

	2025	2024
	£000	£000
Total notional value of SONIA swap contracts used in hedges held at 31st December	638,168	635,168
	<b>638,168</b>	<b>635,168</b>

### 13. Loans and advances to customers

	2025	2024
	£000	£000
Loans fully secured on residential property	1,734,877	1,594,389
Loans fully secured on land	9,534	5,639
Fair value adjustment for hedged risk	1,869	(10,651)
Effective interest rate adjustment	1,330	1,041
Allowance for impairment	(1,315)	(1,210)
	<b>1,746,295</b>	<b>1,589,208</b>

### 14. Allowance for impairment

	2025		
	Loans fully secured on residential property £000	Loans fully secured on land £000	Total £000
<b>Individual provision</b>			
At 1st January 2025			
Individual impairment	703	–	703
Collective impairment	395	113	507
	<b>1,098</b>	<b>113</b>	<b>1,210</b>
<b>Income Statement</b>			
Movements in the year			
Individual impairment	(46)	–	(46)
Collective impairment	163	(12)	151
	<b>117</b>	<b>(12)</b>	<b>105</b>
At 31st December 2025			
Individual impairment	657	–	657
Collective impairment	557	101	659
	<b>1,214</b>	<b>101</b>	<b>1,315</b>

# Notes

for the year ended 31st December 2025 (continued)

## 14. Allowance for impairment (continued)

	2024		
	Loans fully secured on residential property £000	Loans fully secured on land £000	Total £000
<b>Individual provision</b>			
At 1st January 2024			
Individual impairment	631	–	631
Collective impairment	1,180	5	1,185
	<b>1,811</b>	<b>5</b>	<b>1,816</b>
<b>Income Statement</b>			
Movements in the year			
Individual impairment	72	–	72
Collective impairment	(785)	107	(678)
	<b>(713)</b>	<b>107</b>	<b>(606)</b>
At 31st December 2024			
Individual impairment	703	–	703
Collective impairment	395	113	508
	<b>1,098</b>	<b>113</b>	<b>1,210</b>

## 15. Intangible assets

Intangible assets comprise purchased software and costs directly associated with the implementation of computer software where the asset will generate future economic benefits and where costs can be reliably measured. Amortisation is charged against these assets when they become ready for use by the business over estimated useful lives of five years. Acquisitions represent upgrades to the core banking system. The estimated useful life is five years.

	£000
<b>Cost</b>	
Balance at 1st January 2025	7,808
Acquisitions	718
Disposals	–
<b>Balance at 31st December 2025</b>	<b>8,526</b>
<b>Amortisation and impairment</b>	
Balance at 1st January 2025	5,950
Amortisation for the year	690
Disposals	–
<b>Balance at 31st December 2025</b>	<b>6,640</b>
<b>Net book value</b>	
<b>At 1st January 2025</b>	<b>1,858</b>
<b>At 31st December 2025</b>	<b>1,886</b>

## 16. Tangible fixed assets

	Freehold £000	Leasehold (short) £000	Motor vehicles, office and computer equipment £000	Total £000
<b>Cost</b>				
Balance at 1st January 2025	6,700	2,114	6,471	15,284
Additions	–	–	82	82
Disposals	(100)**	–	(397)	(497)
Revaluation	(360)	–	–	(360)
<b>Balance at 31st December 2025</b>	<b>6,240</b>	<b>2,114</b>	<b>6,156</b>	<b>14,509</b>
<b>Depreciation and impairment</b>				
Balance at 1st January 2025	–	1,308	6,147*	7,454
Depreciation charge for the year	265	152	161	579
Disposals	(4)	–	(396)	(400)
Revaluation	(261)	–	–	(261)
<b>Balance at 31st December 2025</b>	<b>–</b>	<b>1,461</b>	<b>5,912</b>	<b>7,372</b>
<b>Net book value</b>				
<b>At 1st January 2025</b>	<b>6,700</b>	<b>805</b>	<b>323</b>	<b>7,830</b>
<b>At 31st December 2025</b>	<b>6,240</b>	<b>653</b>	<b>244</b>	<b>7,138</b>

\* We have re-stated the opening accumulated depreciation balance by £174k to remove the accelerated depreciation which relates back to pre-2012.

\*\* Freehold property reclassified to Investments and reported within the Additions in the Note 17.

Freehold land and buildings were professionally valued by Carter Jonas, Chartered Surveyors, on an existing use basis as at 31st December 2025. This valuation was £6,240,000. Neither freehold nor leasehold costs were incurred in the year.

Had freehold land and buildings been valued on the historical cost basis at 31st December 2025, the net book value would have been £4,063,206 and depreciation charged to the Income Statement would have been reduced by £164,839.

# Notes

## for the year ended 31st December 2025 (continued)

### 17. Investment properties

	2025	2024
	£000	£000
At 1st January	3,099	2,170
Additions	422	928
Disposals	100	–
Fair value adjustment	(331)	1
<b>At 31st December</b>	<b>3,290</b>	<b>3,099</b>

Investment properties are generally offices and retail premises ancillary to the Society's branches and are not used by the Society. Investment properties are held at valuation and were professionally valued by Carter Jones, Chartered Surveyors, on an open market value basis as at 31st December 2025.

The total future minimum lease payments receivable under non-cancellable operating leases relating to investment properties were as set out below:

	2025	2024
	£000	£000
Within 1 year	70	87
Between 1 and 5 years	53	27

### 18. Other debtors

	2025	2024
	£000	£000
Prepayments and accrued income	2,827	1,955
Deferred tax assets (Note 23)	982	1,234
	<b>3,809</b>	<b>3,189</b>

### 19. Shares

Shares are held by individuals or for groups such as Charities, Councils, and Clubs. In the ordinary course of business the repayment of share balances from the date of the statement of financial position is as follows:

	2025	2024
	£000	£000
Accrued Interest	197	248
On demand	1,065,886	994,006
Within 3 months	127,583	120,058
Within 1 year	348,579	370,863
Within 5 years	310,848	247,205
	<b>1,853,093</b>	<b>1,732,380</b>

### 20. Amounts owed to credit institutions

In the normal course of business deposits owed to credit institutions are repayable from the date of the statement of financial position as follows:

	2025	2024
	£000	£000
Accrued Interest	43	48
On demand	–	12,140
Within 3 months	3,000	500
Within 1 year	5,500	–
	<b>8,543</b>	<b>12,688</b>

### 21. Amounts owed to other customers

In the normal course of business deposits owed to other customers are repayable from the date of the statement of financial position as follows:

	2025	2024
	£000	£000
Accrued Interest	604	856
On demand	40,738	45,125
Within 3 months	33,149	14,573
Within 1 year	30,723	54,501
Within 5 years	25	35
	<b>105,238</b>	<b>115,090</b>

The Society has included loans from the Bank of England with amounts owed to other customers. Loans repayable as at the date of the financial position amounted to £30m (2024 : £50m).

### 22. Other liabilities

	2025	2024
	£000	£000
Corporation tax	1,237	1,575
Creditors	368	630
<b>Total other liabilities</b>	<b>1,605</b>	<b>2,205</b>
<b>Accruals</b>	<b>2,675</b>	<b>2,812</b>

# Notes

for the year ended 31st December 2025 (continued)

## 23. Deferred tax assets and liabilities

	2025	2024
	£000	£000
<b>Movement on deferred tax asset</b>		
At 1st January	1,234	1,552
Prior period adjustment	–	–
	<b>1,234</b>	<b>1,552</b>
Income Statement credit/(charge)	24	(262)
Recognised directly in other comprehensive income	(276)	(56)
<b>Asset (at 31st December)</b>	<b>982</b>	<b>1,234</b>
The deferred tax asset is attributable to the following items:		
Pension and other post retirement benefits	755	1,107
Other timing differences	227	127
<b>Total deferred tax asset</b>	<b>982</b>	<b>1,234</b>
<b>Movement on deferred tax liability</b>		
At 1st January	(91)	(6)
Prior period adjustment	2	–
Income Statement credit/(charge)	(26)	(85)
<b>Liability at 31st December</b>	<b>(115)</b>	<b>(91)</b>
The deferred tax liability is attributable to the following items:		
Accelerated capital allowances	(115)	(91)
Chargeable gains	–	–
Other timing differences	–	–
<b>Total deferred tax liability</b>	<b>(115)</b>	<b>(91)</b>

The net deferred tax asset expected to reverse in 2025 is £867,144. This primarily relates to the deferred tax on pension and other post-retirement benefit obligations.

Deferred tax balances at 31st December 2025 have been calculated based on the relevant prevailing rates.

## 24. Provisions

	Onerous lease and dilapidations £000	FSCS levy £000	Other £000	Total £000
Balance at 1st January 2025	268	40	44	352
Paid in year	–	–	(53)	(53)
Net charge for year	11	–	24	35
<b>Balance at 31st December 2025</b>	<b>279</b>	<b>40</b>	<b>15</b>	<b>334</b>

### Onerous lease and dilapidations

The £11,410 charge for dilapidations relates to the Society's obligations under leased contracts for branches and stores. These provisions will likely be utilised if the Society exits these premises. This year we have reflected the full provision discounted over the life of each lease contract.

Due to the number of leased properties and the difficulties in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision is considered a source of estimation uncertainty. The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease termination dates of between three to nine years.

### Financial Services Compensation Scheme levy

The Society, in common with all regulated UK deposit takers, pays levies to the Financial Services Compensation Scheme (FSCS) to enable the FSCS to meet claims against it. The levies currently relate to claims events in 2008 and 2009. The levies are based on its share of protected deposits in relation to the total UK market.

The FSCS cost consists of two levies, a management expenses levy and a compensation levy. The management expenses levy covers the costs of running the scheme. The compensation levy covers the amount of compensation the scheme pays, net of any recoveries it makes using the rights that have been assigned to it.

As at 31st December 2025, the Society has a provision of £40,000 comprising management expense levies for scheme year 2021/2022. In accordance with FSCS guidance, and consistent with the previous year, the 31st December 2025 provision does not include any estimate for management expenses or compensation levies for future scheme years beyond 2022/2023.

### Other provisions

The Society is carrying a provision for potential costs in respect of the Society's relationship with The Will Writing Company who ceased trading in 2018. In 2018 Philips Trust Corporation purchased the assets and database of The Will Writing Company and The Family Trust Corporation. In April 2022 Philips Trust Corporation entered administration, with Kroll Advisory Limited appointed as their administrators.

# Notes

## for the year ended 31st December 2025 (continued)

### 25. Pensions

With effect from 1st January 2010 the Society established a Group Personal Pension Plan with Aviva for all Society staff.

The previous trust-based defined benefit scheme closed on 31st December 2009. No benefits have accrued since 31st December 2009. Pension benefits for deferred members are based on the members' final pensionable salaries and service at the date the accrual ceased (or date of leaving if earlier). The funds in the scheme are still under the control of the trustees for all deferred and retired members. The trustees also oversee the management and payment of the deficit plan for the defined benefit scheme. The assets of the scheme are held separately from the assets of the Society in independently administered funds. An actuarial valuation was carried out as at 30th September 2022 and the results of this have been updated to 31st December 2025 by a qualified actuary, independent of the Society.

The actuarial valuation at 30th September 2022 showed a deficit of £7.3m. The Society has agreed with the Trustee that it will aim to eliminate the deficit over a period of 6 years 11 months from the valuation date by payment of contributions of £616,800 per annum (payable monthly) prior to 1st January 2024 and contributions of £1.4m per annum (payable monthly) thereafter.

In addition, the Society agreed to pay contributions to meet the expenses of the Scheme of £96,295 per annum (payable monthly), increasing by 3% per annum with the first increase on 1st January 2025. The Society will also pay the Pension Protection Fund levies due for the Scheme.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited vs. NTL Pension Trustees II Limited and others relating to the validity of certain

historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Society is currently considering the implications of the case for the Scheme.

A recent Court of Appeal decision confirmed that certain amendments to contracted-out defined benefit schemes made between 1997 and 2016 may be void if the required actuarial confirmation under section 37 of the Pensions schemes act 1993 cannot be evidenced. This has created uncertainty for many schemes that cannot locate historic confirmations.

The Government has proposed amendments to the pension schemes bill, introducing a retrospective validation mechanism allowing trustees to obtain actuarial confirmation for historic amendments so that they may be treated as valid. The bill is expected to become law during 2026.

The Society has not taken any positive action in relation to pass rule amendments and has not been subject to legal challenge. However, it has not yet commissioned a retrospective actuarial assessment and therefore cannot currently determine whether any amendments may be void all whether any additional liabilities may arise.

Given the uncertainty and lack of available actuarial evidence, the Society is unable to quantify any potential impact at this stage. The Society will continue to monitor legislative developments and will undertake further assessment when the statutory remedy is enacted.

The following disclosures are required under FRS 102:

#### Significant actuarial assumptions

	2025	2024
Discount rate	5.67% pa	5.59% pa
RPI inflation	2.86% pa	3.19% pa
CPI inflation	2.38% pa	2.59% pa

#### Other actuarial assumptions

	2025	2024
<b>Rate of increases to pensions in payment:</b>		
RPI inflation limited to 5% pa	2.79% pa	3.06% pa
RPI inflation limited to 2.5% pa	1.99% pa	2.10% pa
<b>Revaluation of deferred pensions:</b>		
CPI inflation limited to 5% pa	2.38% pa	2.59% pa
CPI inflation limited to 2.5% pa	2.38% pa	2.50% pa

#### Mortality assumptions

	2025	2024
	S3PXA	S3PXA
Loading on base tables	97%	97%
Improvement allowance, for males	CMI_2024 (1.5%)	CMI_2023 (1.5%)
Improvement allowance, for females	CMI_2024 (1.25%)	CMI_2023 (1.25%)
Smoothing parameter	7.0	7.0
Initial addition (A) parameter	0.25% p.a.	0.25% p.a.
w2020, w2021, w2022	Default	Default

In valuing the liabilities of the pension fund at 31st December 2025, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial tables and include allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as below:

#### Life expectancies (in years)

	2025		2024	
	Males	Females	Males	Females
Pensioners (current age 65)	22.4	24.5	22.0	24.4
Non-pensioners (current age 45)	24.0	25.9	23.6	25.8

#### Reconciliation of Plan's assets and defined benefit obligation

	Assets	Defined benefit obligation	Total
	£000	£000	£000
At 1st January 2025	12,249	(16,678)	(4,429)
Interest income / expense	702	(913)	(211)
Expenses	(108)	–	(108)
Actuarial (losses) / gains due to scheme experience	–	(62)	(62)
Experience on plan assets (excluding amounts included in interest income) – gain / (loss)	(81)	–	(81)
Employer contributions	1,403	–	1,403
Actuarial (losses) / gains due to changes in demographic assumptions	–	45	45
Actuarial (losses) / gains due to changes in financial assumptions	–	391	391
Actuarial (losses) / gains due to benefit changes	–	32	32
Benefits paid	(665)	665	–
<b>At 31st December 2025</b>	<b>13,500</b>	<b>(16,520)</b>	<b>(3,020)</b>

# Notes

for the year ended 31st December 2025 (continued)

## 25. Pensions (continued)

### Assets

	2025	2024
	£000	£000
<i>The fair value of the assets of the Plan were:</i>		
<b>Asset class</b>		
Private credit	1,476	1,397
Liability driven investment portfolio	4,550	4,149
Liquid Alternatives	1,539	1,472
Equity	1,039	983
Cash	322	543
Bonds	2,577	2,197
Other	1,943	1,446
Annuities	54	62
<b>Total</b>	<b>13,500</b>	<b>12,249</b>
<b>Reconciliation to the Statement of Financial Position (balance sheet)</b>		
Market value of assets	13,500	12,249
Present value of defined benefit obligation	(16,520)	(16,678)
<b>Pension asset/(liability) recognised in the Statement of Financial Position before allowance for deferred tax</b>	<b>(3,020)</b>	<b>(4,429)</b>
Amounts recognised		
<b>Amounts recognised in profit or loss</b>		
Net interest	211	244
Operating charge	76	145
<b>Amount charged to Statement of Comprehensive Income</b>	<b>287</b>	<b>389</b>
<b>Amounts recognised in other comprehensive income</b>		
Actuarial gains/(losses) on defined benefit obligation	(62)	(33)
Gain/(loss) from change in assumptions	436	2,244
Actual return on assets less interest	(81)	(1,895)
<b>Amount recognised in other comprehensive income</b>	<b>293</b>	<b>316</b>

## 26. Financial instruments

A financial instrument is a contract that gives rise to a financial asset or liability. The Cambridge Building Society is a retailer of financial instruments in the form of mortgages and savings products and uses wholesale financial instruments to invest in liquid assets, to raise wholesale funding and to manage risks arising from its operations.

Instruments used for risk management purposes include derivative financial instruments derivatives which are contracts or agreements whose value is derived from one or more of underlying price, rate or index inherent in the contract or agreement, such as interest rates.

Derivatives are only used by the Society in accordance with the Building Society Act 1986 (as amended by the Building Societies Act 1997) to reduce the risk of loss arising from changes in interest rates or other factors specified in the legislation.

Derivatives are not used in trading activity or for speculative purposes.

The Society reduces its exposure to interest rate risk applying fair value hedging techniques as follows:

Activity	Risk	Hedging technique
Fixed rate mortgage lending	Sensitivity to increases in interest rates	Society pays fixed rate and receives variable interest
Fixed rate savings products and funding	Sensitivity to falls in interest rates	Society received fixed rate and pays variable interest

The fair value of derivative financial instruments held at 31st December 2025 is shown in Note 12 (Derivative financial instruments) on page 52.

The Society has a formal governance structure for managing financial and other risks, including an established risk appetite, risk limits, reporting lines, mandates another control procedures. The ALCO monitors the financial risks (including the use of financial instruments), funding and liquidity in line with the SOC's policy statements and reports any significant matters to the board at its next meeting.

Financial assets and liabilities are measured on an ongoing basis at either fair value or at amortised cost as shown in the table below:

Financial instrument	Term and Conditions	Accounting Policy
Loans and advances to credit institutions and debt securities	<ul style="list-style-type: none"> <li>Fixed interest rate</li> <li>Fixed term</li> <li>Short to medium term maturity</li> </ul>	<ul style="list-style-type: none"> <li>Loans and receivables at amortised cost</li> <li>Accounted for at settlement date</li> </ul>
Loans and advances to customers	<ul style="list-style-type: none"> <li>Secured on residential property or land</li> <li>Typical standard contractual term of 25 years</li> <li>Fixed or variable rate of interest</li> </ul>	<ul style="list-style-type: none"> <li>Loans and receivables at amortised cost</li> <li>Accounted for from date of advance</li> </ul>
Shares	<ul style="list-style-type: none"> <li>Fixed or variable term</li> <li>Fixed or variable interest rates</li> </ul>	<ul style="list-style-type: none"> <li>Amortised cost</li> <li>Accounted for from the date of deposit</li> </ul>
Amounts owed to credit institutions	<ul style="list-style-type: none"> <li>Fixed interest rate</li> <li>Fixed term</li> <li>Short to medium term maturity</li> </ul>	<ul style="list-style-type: none"> <li>Amortised cost</li> <li>Accounted for at settlement date</li> </ul>
Amounts owed to other customers	<ul style="list-style-type: none"> <li>Fixed or variable rate of interest</li> <li>Fixed term</li> <li>Short to medium term maturity</li> </ul>	<ul style="list-style-type: none"> <li>Amortised cost</li> <li>Accounted for at settlement date</li> </ul>
Derivative Financial Instruments	<ul style="list-style-type: none"> <li>Fixed interest received/paid converted to variable interest paid/received</li> <li>Based on the notional value of the derivative</li> </ul>	<ul style="list-style-type: none"> <li>Fair value through profit and loss</li> <li>Accounted for at trade date</li> </ul>

# Notes

## for the year ended 31st December 2025 (continued)

### 26. Financial instruments (continued)

#### Categories of financial assets and liabilities

Financial assets and liabilities are measured on an on-going basis either at fair value or at amortised cost. Note 1.7 'Financial instruments' describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The tables below analyse the Society's assets and liabilities by financial classification:

#### Carrying values by category 31st December 2025

	Held at amortised cost		Held at fair value			Non-financial assets and liabilities £000	Total £000
	Loans and receivables £000	Financial assets and liabilities at amortised cost £000	Available for sale £000	Derivatives designated as fair value hedges £000	Unmatched derivatives £000		
<b>Financial assets</b>							
Cash in hand	–	208,176	–	–	–	–	208,176
Loans and advances to credit institutions	–	27,235	–	–	–	–	27,235
Debt securities	–	–	120,756	–	–	–	120,756
Derivative financial instruments	–	–	–	1,662	255	–	1,917
Loans and advances to customers	1,744,426	–	–	1,869	–	–	1,746,295
<b>Total financial assets</b>	<b>1,744,426</b>	<b>235,411</b>	<b>120,756</b>	<b>3,531</b>	<b>255</b>	<b>–</b>	<b>2,104,380</b>
Non-financial assets	–	–	–	–	–	16,123	16,123
<b>Total assets</b>	<b>1,744,426</b>	<b>235,411</b>	<b>120,756</b>	<b>3,531</b>	<b>255</b>	<b>16,123</b>	<b>2,120,503</b>
<b>Financial liabilities</b>							
Shares	–	1,853,093	–	–	–	–	1,853,093
Amounts owed to credit institutions	–	8,543	–	–	–	–	8,543
Amounts owed to other customers	–	105,238	–	–	–	–	105,238
Derivative financial instruments	–	–	–	4,489	138	–	4,627
<b>Total financial liabilities</b>	<b>–</b>	<b>1,966,874</b>	<b>–</b>	<b>4,489</b>	<b>138</b>	<b>–</b>	<b>1,971,501</b>
Non-financial liabilities	–	–	–	–	–	7,749	7,749
<b>Total liabilities</b>	<b>–</b>	<b>1,966,874</b>	<b>–</b>	<b>4,489</b>	<b>138</b>	<b>7,749</b>	<b>1,979,250</b>

#### Carrying values by category 31st December 2024

	Held at amortised cost		Held at fair value			Non-financial assets and liabilities £000	Total £000
	Loans and receivables £000	Financial assets and liabilities at amortised cost £000	Available for sale £000	Derivatives designated as fair value hedges £000	Unmatched derivatives £000		
<b>Financial assets</b>							
Cash in hand	–	246,488	–	–	–	–	246,488
Loans and advances to credit institutions	–	41,752	–	–	–	–	41,752
Debt securities	–	–	98,342	–	–	–	98,342
Derivative financial instruments	–	–	–	14,069	66	–	14,135
Loans and advances to customers	1,599,859	–	–	(10,651)	–	–	1,589,208
<b>Total financial assets</b>	<b>1,599,859</b>	<b>288,240</b>	<b>98,342</b>	<b>3,418</b>	<b>66</b>	<b>–</b>	<b>1,989,925</b>
Non-financial assets	–	–	–	–	–	15,802	15,802
<b>Total assets</b>	<b>1,599,859</b>	<b>288,240</b>	<b>98,342</b>	<b>3,418</b>	<b>66</b>	<b>15,802</b>	<b>2,005,727</b>
<b>Financial liabilities</b>							
Shares	–	1,732,380	–	–	–	–	1,732,380
Amounts owed to credit institutions	–	12,688	–	–	–	–	12,688
Amounts owed to other customers	–	115,090	–	–	–	–	115,090
Derivative financial instruments	–	–	–	1,114	508	–	1,622
<b>Total financial liabilities</b>	<b>–</b>	<b>1,860,157</b>	<b>–</b>	<b>1,114</b>	<b>508</b>	<b>–</b>	<b>1,861,780</b>
Non-financial liabilities	–	–	–	–	–	9,889	9,889
<b>Total liabilities</b>	<b>–</b>	<b>1,860,157</b>	<b>–</b>	<b>1,114</b>	<b>508</b>	<b>9,889</b>	<b>1,871,669</b>

#### Valuation of financial instruments carried at fair value

The Society holds certain financial assets and liabilities at fair value, grouped into Levels 1 to 3 of the fair value hierarchy (see below).

#### Valuation techniques

Fair values are determined using the following fair value hierarchy in FRS 102, which reflects the significance of the inputs in measuring fair value:

- Level 1** The most reliable fair values of financial instruments are quoted market prices in an actively traded market. The Society's Level 1 portfolio mainly comprises FRNs from Multilateral Development Banks for which traded prices are readily available.
- Level 2** These are valuation techniques for which all significant inputs are taken from observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed when no active market exists and quoted prices are available for similar instruments in active markets. The valuations are derived from the SONIA swap yield curve. The Society's Level 2 portfolio mainly comprises interest rate swaps for which traded prices are readily available.
- Level 3** These are valuation techniques for which one or more significant input is not based on observable market data. Valuation techniques include net present value by way of discounted cash flow models.

# Notes

## for the year ended 31st December 2025 (continued)

The table below summarises the fair values of the Society's financial assets and liabilities that are accounted for at fair value, analysed by the valuation methodology used by the Society to derive the financial instruments fair value:

### Carrying values by category 31st December 2025

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
<b>Financial assets</b>				
Gilts, treasury bills and supranational bonds	120,756	–	–	120,756
Loans fully secured on residential property	–	1,869	–	1,869
Interest rate swaps	–	1,917	–	1,917
	<b>120,756</b>	<b>3,786</b>	<b>–</b>	<b>124,543</b>
<b>Financial liabilities</b>				
Interest rate swaps	–	4,627	–	4,627
	<b>–</b>	<b>4,627</b>	<b>–</b>	<b>4,627</b>

### Carrying values by category 31st December 2024

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
<b>Financial assets</b>				
Gilts, treasury bills and supranational bonds	98,342	–	–	98,342
Loans fully secured on residential property	–	(10,651)	–	(10,651)
Interest rate swaps	–	14,135	–	14,135
	<b>98,342</b>	<b>3,484</b>	<b>–</b>	<b>101,826</b>
<b>Financial liabilities</b>				
Interest rate swaps	–	1,622	–	1,622
	<b>–</b>	<b>1,622</b>	<b>–</b>	<b>1,622</b>

### Financial assets pledged as collateral

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities at 31st December 2025 and 2024 are shown in the following table.

	2025	2024
	£000	£000
Loans and advances to customers	140,004	168,399
	<b>140,004</b>	<b>168,399</b>

### Credit risk

Credit risk is the risk that a borrower or counterparty of the Society will cause a financial loss for the Society by failing to discharge an obligation. This is the primary risk for a mortgage lender like the Society.

All loans are assessed with reference to the Society's lending policy. Appropriate credit limits have been established by the Board for individual counterparties and sectors.

The Society's maximum credit risk exposure is detailed in the table below:

	2025	2024
	£000	£000
Cash in hand and balances with the Bank of England	208,176	246,488
Loans and advances to credit institutions	27,235	41,752
Debt securities	120,756	98,342
Derivative financial instruments	1,917	14,135
Loans and advances to customers	1,746,295	1,589,208
Total statement of financial position exposure (1)	2,104,379	1,989,925
Off balance sheet exposure – mortgage commitments (2)	123,929	114,687
	<b>2,228,308</b>	<b>2,104,612</b>

(1) All values are stated at balance sheet amounts.

(2) This reflects mortgage applications that have been formally offered but have not yet completed. £40,000,000 relates to the forward flow agreement with Roma. The total facility for this arrangement will reach £120,000,000 within the next five years.

### Credit quality analysis of loans and advances to customers

The tables below set out information about the credit quality of loans and advances to customers, and the allowance for impairment/loss held by the Society against those assets.

### Credit quality values 31st December 2025

	Total book balance	Capitalisation		Payment concession		Term extension		Total renegotiations	
		£000	Number of loans	£000	Number of loans	£000	Number of loans	£000	Number of loans
Neither past due or individually impaired	1,713,238	–	–	245	1	–	–	245	1
Past due but not individually impaired	20,651	–	–	1,941	10	–	–	1,941	10
Past due and individually impaired	10,522	–	–	2,926	14	–	–	2,926	14
Provision	(1,315)	–	–	–	–	–	–	–	–
<b>Total book</b>	<b>1,743,095</b>	<b>–</b>	<b>–</b>	<b>5,113</b>	<b>25</b>	<b>–</b>	<b>–</b>	<b>5,113</b>	<b>25</b>
<b>Past due but not individually impaired:</b>									
Up to 3 months	18,584	–	–	1,768	9	–	–	1,768	9
3 to 6 months	1,074	–	–	174	1	–	–	174	1
6 to 12 months	788	–	–	–	–	–	–	–	–
Over 12 months	408	–	–	–	–	–	–	–	–
	<b>20,854</b>	<b>–</b>	<b>–</b>	<b>1,941</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>1,941</b>	<b>10</b>
<b>Past due and individually impaired:</b>									
Up to 3 months	2,785	–	–	2,013	9	–	–	2,013	9
3 to 6 months	3,545	–	–	778	4	–	–	778	4
6 to 12 months	2,877	–	–	135	1	–	–	135	1
Over 12 months	2,185	–	–	–	–	–	–	–	–
	<b>11,392</b>	<b>–</b>	<b>–</b>	<b>2,926</b>	<b>14</b>	<b>–</b>	<b>–</b>	<b>2,926</b>	<b>14</b>

# Notes

## for the year ended 31st December 2025 (continued)

### 26. Financial instruments (continued)

#### Credit quality values 31st December 2024

	Total book balance		Capitalisation		Payment concession		Term extension		Total renegotiations	
	£000	£000	Number of loans	£000	Number of loans	£000	Number of loans	£000	Number of loans	
Neither past due or individually impaired	1,566,482	–	–	–	–	–	–	–	–	–
Past due but not individually impaired	17,596	–	–	1,125	9	–	–	1,125	9	–
Past due and individually impaired	15,951	–	–	1,470	10	–	–	1,470	10	–
Provision	(1,211)	–	–	–	–	–	–	–	–	–
<b>Total book</b>	<b>1,598,817</b>	<b>–</b>	<b>–</b>	<b>2,595</b>	<b>19</b>	<b>–</b>	<b>–</b>	<b>2,595</b>	<b>19</b>	<b>–</b>
<b>Past due but not individually impaired:</b>										
Up to 3 months	15,686	–	–	227	2	–	–	227	2	–
3 to 6 months	1,718	–	–	679	6	–	–	679	6	–
6 to 12 months	692	–	–	219	1	–	–	219	1	–
Over 12 months	–	–	–	–	–	–	–	–	–	–
	<b>18,096</b>	<b>–</b>	<b>–</b>	<b>1,125</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>1,125</b>	<b>9</b>	<b>–</b>
<b>Past due and individually impaired:</b>										
Up to 3 months	7,403	–	–	227	2	–	–	227	2	–
3 to 6 months	2,792	–	–	679	6	–	–	679	6	–
6 to 12 months	4,770	–	–	564	2	–	–	564	2	–
Over 12 months	985	–	–	–	–	–	–	–	–	–
	<b>15,950</b>	<b>–</b>	<b>–</b>	<b>1,470</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>1,470</b>	<b>10</b>	<b>–</b>

Individual impairment provisions of £nil (2024: £nil) are held in respect of loans with renegotiated terms.

Individual assessments are made of all mortgage loans where objective evidence indicates that losses are likely (for example when loans are past due) or the property is in possession, or where fraud or negligence has been identified. Further consideration is given in accounting policy 1.7 to the accounts.

#### Collateral held and other credit enhancements

The Society holds collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

#### Percentage of exposure that is subject to collateral requirements

	2025	2024	Principal type of collateral held
	%	%	
Loans and advances to customers	100	100	Property

The tables below stratify credit exposures from mortgage loans and advances to retail customers by ranges of loan-to-value (LTV) ratio and by geographical location. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated based on changes in house price indices.

	2025	2024
	£000	£000
<b>LTV ratio</b>		
Less than 50%	578,586	556,189
51 – 70%	486,475	486,653
71 – 90%	600,090	500,074
Over 90%	79,236	57,114
	<b>1,744,387</b>	<b>1,600,029</b>

	2025	2024
	%	%
<b>Geographical analysis</b>		
East Midlands	6.5	6.1
East of England	44.9	50.8
London	13.0	12.3
North East England	1.2	1.0
North West England	5.5	4.0
South East England	13.6	12.7
South West England	5.8	4.9
Wales	1.8	1.6
West Midlands	4.3	3.6
Yorkshire and the Humber	3.4	3.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

#### Liquidity risk

Liquidity risk is the risk that the Society has insufficient cash or liquidity resources to be able to meet its liabilities as they fall due. At the Society, the main form of liquidity risk arises from the mismatch in the maturity period of long term mortgage loans and short term savings deposits. The Society mitigates this risk by ensuring it holds adequate high quality liquid assets to cover a variety of severe but plausible stress scenarios.

The Society's liquidity policy is to maintain sufficient assets in liquid form at all times to ensure that the Society can meet all its liabilities as they fall due and also meet all regulatory liquidity requirements.

The Society manages this risk on a continuous basis by ensuring compliance with the Liquidity and Funding Risk Management Policy approved by the Board and reported to ALCO. In practice this results in the Society holding a significant amount of highly liquid assets, mainly UK Treasury bills, multi-lateral development bank and covered bond securities and deposits with the Bank of England, which are eligible to meet its required liquidity buffer set by the regulator and its own internal assessments. In addition the Society maintains deposits placed on call or overnight with the Bank of England and its main current account provider to meet its operational needs without drawing on its buffer requirements.

# Notes

## for the year ended 31st December 2025 (continued)

### 26. Financial instruments (continued)

#### Maturity analysis for financial assets and financial liabilities

The tables below set out the remaining contractual maturities of the Society's financial liabilities. In practice, contractual maturities are not always reflected in actual experience. For example, customer deposits (for example shares) are likely to be repaid later than on the earliest date on which repayment can be required.

31st December 2025						
	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Total £000
<b>Financial liabilities</b>						
Shares	1,065,886	127,669	348,627	310,911	–	1,853,093
Amounts owed to credit institutions	1	3,011	5,532	–	–	8,543
Amounts owed to other customers	40,872	33,556	30,785	25	–	105,238
Derivative financial instruments	–	27	15	4,496	90	4,627
<b>Total financial liabilities</b>	<b>1,106,759</b>	<b>164,263</b>	<b>384,959</b>	<b>315,432</b>	<b>90</b>	<b>1,971,502</b>

31st December 2024						
	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Total £000
<b>Financial liabilities</b>						
Shares	994,008	120,143	370,909	247,320	–	1,732,380
Amounts owed to credit institutions	12,187	502	–	–	–	12,688
Amounts owed to other customers	45,299	14,714	55,040	35	–	115,090
Derivative financial instruments	1	225	477	864	57	1,622
<b>Total financial liabilities</b>	<b>1,051,493</b>	<b>135,585</b>	<b>426,427</b>	<b>248,221</b>	<b>57</b>	<b>1,861,780</b>

The tables below set out maturity analysis for financial liabilities that shows the remaining contractual maturities at undiscounted amounts. The analysis of gross contractual cash flows differs from the analysis of residual maturity due to the inclusion of interest accrued at current rates, for the average period until maturity on the amounts outstanding at the statement of financial position date.

31st December 2025						
	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Total £000
<b>Financial liabilities</b>						
Shares	1,066,933	127,845	349,095	311,318	–	1,855,191
Amounts owed to credit institutions	1	3,011	5,532	–	–	8,544
Amounts owed to other customers	40,898	33,561	30,804	232	–	105,495
Derivative financial instruments	–	27	15	4,496	90	4,627
<b>Total financial liabilities</b>	<b>1,107,832</b>	<b>164,444</b>	<b>385,445</b>	<b>316,046</b>	<b>90</b>	<b>1,973,856</b>

31st December 2024						
	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Total £000
<b>Financial liabilities</b>						
Shares	995,142	120,308	371,463	247,658	–	1,734,571
Amounts owed to credit institutions	12,190	502	–	–	–	12,692
Amounts owed to other customers	45,333	14,721	55,055	236	–	115,344
Derivative financial instruments	(1)	225	477	864	57	1,622
<b>Total financial liabilities</b>	<b>1,052,664</b>	<b>135,756</b>	<b>426,994</b>	<b>248,759</b>	<b>57</b>	<b>1,864,229</b>

#### Market risk

Market risk is discussed in the Directors' report.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Society's financial assets and financial liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200 basis point (bp) parallel fall or rise in the yield curve. The following is an analysis of the Society's sensitivity to a 200bp increase in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position.

	At 31st December 2025 £000	At 31st December 2024 £000
Sensitivity of reported equity and profit to interest rate movements	(2,163)	(1,558)

The Society only deals with products in sterling so is not directly affected by currency risk. The Society's products are also only interest orientated products and so are not exposed to other pricing risks.

#### Derivatives held for risk management

The Society uses derivatives to manage certain risks it faces.

#### Fair value hedges of interest rate risk

The Society uses interest rate swaps to hedge its exposure to changes in the fair values of its exposure to market interest rates on certain loans and advances. Interest rate swaps are matched to specific loans.

The fair values of derivatives designated as fair value hedges are as follows.

	2025		2024	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Interest rate swaps	1,662	(4,489)	14,069	(1,115)

# Notes

## for the year ended 31st December 2025 (continued)

### 27. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Society	
	2025 £000	2024 £000
Less than 1 year	335	378
Between 1 and 5 years	558	318
More than 5 years	4	–
	<b>897</b>	<b>696</b>

During the year £423,735 was recognised as an expense in the profit and loss account in respect of operating leases (2024: £408,427).

### 28. Country-by-country reporting

31st December 2025							
	Type of entity	Nature of activity	Location	Turnover (£m)	Number of employees	Profit or loss before tax (£m)	Tax paid (£m)
The Cambridge Building Society	Credit institution	Financial services	United Kingdom	31.8	245	10.8	3.3

31st December 2024							
	Type of entity	Nature of activity	Location	Turnover (£m)	Number of employees	Profit or loss before tax (£m)	Tax paid (£m)
The Cambridge Building Society	Credit institution	Financial services	United Kingdom	28.0	235	11.4	5.7

The Society's turnover is defined as net interest income.

### 29. Related parties

#### a. Transactions with Directors

In the normal course of business, Directors and their close family members, transacted with the Society. The year end balances of transactions with Directors, and their close family members, are as follows:

	Number of key management personnel and their close family members	Amounts in respect of key management personnel and their close family members	Number of key management personnel and their close family members	Amounts in respect of key management personnel and their close family members
	2025	2025 £000	2024	2024 £000
Loans and advances to customers	4	612	4	647

A register is maintained by the Society containing details of loans, transactions and agreements made between the Society and the Directors and their connected persons. A register of loans to Directors and connected persons is maintained under Section 68 of the Building Societies Act 1986 at the Society's principal office. This is available for inspection during normal office hours for a period of 15 days prior to, and at, the Society's Annual General Meeting.

The Directors held £72,470 of shares and deposit balances with the Society at 31st December 2025 (2024: £191,699).

#### b. Key management compensation

The Directors of the Society are considered to be the Key Management Personnel, as defined by FRS 102.

Total compensation for key management personnel for the year ended 31st December 2025 was £1,684,714. (2024: £1,501,915).

Further information on compensation for key management personnel can be found in the Directors' Remuneration Report.

#### c. Transactions with other related parties

During the year the Society transacted with Spicerhaart Group Ltd, a company of which John Spence was Chairman until June 2023 and to which he is now an advisor to the Board. These transactions were for various services provided by Spicerhaart in the normal course of business in respect of certain mortgage accounts and all were on an arm's length basis.

The cost of services provided by Spicerhaart in the last two accounting years are shown below, together with amounts outstanding to Spicerhaart at the end of the year.

	2025	2024
	£000	£000
Cost of services provided	3	4
Amounts outstanding	–	–

#### d. Defined Benefit Pension Scheme

The Society operates a closed defined benefit pension scheme which constitutes a related party. Details of this pension scheme and of transactions which took place during the year are shown in Note 25.

# Notes

## for the year ended 31st December 2025 (continued)

### 30. Core capital deferred shares

	Number of shares	CCDS £000	Share premium £000	Total £000
At 31st December 2025	150,000	15,000	–	15,000
At 31st December 2024	150,000	15,000	–	15,000

CCDS are a form of Common Equity Tier 1 (CET 1) capital, developed to enable the Society to raise capital from external investors.

CCDS are perpetual instruments which rank pari passu to each other and are junior to claims against the Society of all depositors and creditors. Each holder of CCDS has one vote, regardless of the number of shares held. In the event of a winding up or dissolution of the Society the amount that would be payable in respect of each CCDS held would be limited to £100 per share, being the nominal value of a CCDS.

Distributions to the holders of CCDS are at the sole and absolute discretion of the Board of Directors, save that the amount that can be paid to the holders of CCDS in any financial year is currently capped at £21.01 per share. The level of the cap on distributions is adjusted annually in line with CPI. The Society paid distributions of £527,869 (£3.52 per CCDS) in May 2025 and £520,685 (£3.47 per CCDS) in November 2025. These distributions have been recognised in the statement of movements in members' interests.

### 31. Capital management

Requirements for the quality and quantity of capital to be held by the Society are set out in the Capital Requirements Directive IV, an EU legislative package covering prudential rules for banks, building societies and investment firms. The capital requirements of the Society are monitored quarterly with the results reported to the Board. Capital is ultimately held for the protection of depositors. The internal level of capital is set with the aim of ensuring that the business has sufficient levels of capital for current and projected future activities, to withstand downturn stresses, and to ensure that the minimum regulatory requirement is always met.

The Society conducts an Internal Capital Adequacy Assessment Process (ICAAP) covering all risks. This is used to assess the Society's capital adequacy and determine the levels of capital required going forward to support the current and future risks in the business.

Throughout the year the Society complied with, and maintained surplus capital above, the externally imposed capital requirements.

The following table shows the composition of the Society's regulatory capital (further information is available in the Pillar 3 disclosures published on the Society's website:

	2025 £000	2024 £000
<b>Common Equity Tier 1 capital</b>		
General reserves	123,736	116,496
Core capital deferred shares	15,000	15,000
Other reserves	2,515	2,562
<b>Common Equity Tier 1 capital prior to regulatory adjustments</b>	<b>141,251</b>	<b>134,058</b>
Intangible assets	(1,886)	(1,858)
<b>Common Equity Tier 1 capital</b>	<b>139,365</b>	<b>132,200</b>
<b>Tier 2 capital</b>		
Credit risk adjustments	659	508
<b>Total capital</b>	<b>140,024</b>	<b>132,708</b>

### 32. Post balance sheet events

At the date on which these accounts were approved by the Board the economic impact of the ongoing conflict in the Middle East and in Ukraine remained unclear. However, the Board is satisfied that there is no direct impact on the operations or the carrying value of the assets and liabilities of the Society and that the Society is well-placed to weather a severe stress. Accordingly no adjustments to the financial statements have been made.



# Annual Business Statement

for the year ended 31st December 2025

## 1. Statutory percentages

	2025	Maximum Statutory Limit
	%	%
Lending limit	1.05	25
Funding limit	5.78	50

The above percentages have been calculated in accordance with the provisions of the Building Societies Act 1986.

The lending limit measures the proportion of business assets not in the form of loans fully secured on residential property.

Business assets are defined as total Society assets plus loan impairment provision less liquid assets and fixed assets.

The funding limit measures the proportion of shares and borrowings not in the form of shares held by individuals.

## 2. Other percentages

	2025	2024
	%	%
<b>As a percentage of shares and borrowings</b>		
Gross capital	7.18	7.21
Free capital	6.76	6.72
Liquid assets	18.11	20.78
Profit after tax as a percentage of mean total assets	0.39	0.43
Net interest margin as a percentage of mean total assets	1.54	1.44
Management expenses as a percentage of mean total assets	1.17	1.13

- ‘Shares and borrowings’ represent the total of shares, amounts owed to other customers and to other credit institutions
- ‘Gross capital’ is the Society’s reserves
- ‘Free capital’ represents gross capital and collective loan impairment allowance, less fixed assets
- ‘Mean total assets’ represent the average of the total assets at the beginning and end of the financial year
- ‘Net interest margin’ is the difference between the rate paid to savers and that charged to borrowers (after adjusting for net income or expenses on financial instruments such as interest rate swaps). It is the ratio of net interest receivable for the year to the average balance of the total assets for the year
- ‘Liquid assets’ represent the total of cash in hand and balances with the Bank of England, loans and advances to credit institutions, debt securities and other liquid assets
- ‘Management expenses’ represent the aggregate of administrative expenses and depreciation and amortisation

## 3. Information relating to the Directors at 31st December 2025

Name	Occupation	Other Directorships during the year	Date of birth	Date of appointment
<b>Directors</b>				
John Spence (Chairman)	Non-Executive Director	<ul style="list-style-type: none"> <li>• Business Banking Resolution Service (until 21st December 2025)</li> <li>• Essex County Council</li> <li>• Essex Cricket Foundation</li> </ul>	January 1951	November 2020
Fiona Hotston Moore (Vice Chair)	Partner of Forensic and Advisory Services	<ul style="list-style-type: none"> <li>• The Family Mediation Trust Ltd</li> <li>• FHM Forensic Accounting Ltd</li> </ul>	February 1965	November 2018
Pauline Caldwell	HR consultant, Executive Coach and Non-Executive Director	<ul style="list-style-type: none"> <li>• Momentum Business Consulting Limited</li> <li>• The Risk Advisory Group Limited (until 30th November 2025)</li> <li>• The Risk Advisory Group (Holdings) Limited (until 30th November 2025)</li> </ul>	February 1975	April 2023
Harriet Hunnoble	Non-Executive Director	<ul style="list-style-type: none"> <li>• The London Metal Exchange (from 7th February 2025)</li> </ul>	June 1966	April 2023
Mark Jeffries	Solicitor (non-practising)	<ul style="list-style-type: none"> <li>• Britten Sinfonia Productions Ltd</li> <li>• Britten Sinfonia Ltd</li> <li>• Norfolk Museums Development Foundation (until 2nd December 2025)</li> <li>• Norwich Diocesan Board of Finance Limited</li> <li>• Norwich Glebe Property Limited</li> <li>• R.G. Carter Holdings Limited</li> <li>• RG Carter Group Limited</li> <li>• R.G. Carter Pension Fund Trustee Limited</li> <li>• 1921 Group Limited</li> </ul>	June 1957	October 2023
Daniel Mundy	Non-Executive Director	<ul style="list-style-type: none"> <li>• DEBRA Retail Limited (until 1st November 2025)</li> <li>• DEBRA Trading Limited (until 1st November 2025)</li> <li>• DEBRA (until 1st November 2025)</li> <li>• Prio Partners Limited</li> </ul>	December 1976	January 2023
Stephen O’Donnell	Non-Executive Director	<ul style="list-style-type: none"> <li>• Hydra Aesthetics Limited</li> <li>• First Wave Cyber Ltd (from 8th September 2025)</li> <li>• ClubRealz Ltd (from 13th January 2025)</li> <li>• O’Donnell Consulting Ltd</li> <li>• Docuchain Limited (until 28th July 2025)</li> </ul>	June 1957	February 2025
Peter Burrows	Chief Executive of The Cambridge Building Society	<ul style="list-style-type: none"> <li>• Astrea Academy Trust</li> </ul>	September 1968	August 2016
Richard Brockbank	Chief Financial Officer	None	October 1977	April 2020
Carole Charter	Chief Commercial Officer	<ul style="list-style-type: none"> <li>• CAMMS Meals on Wheels Ltd</li> </ul>	June 1979	April 2020
Lucy Crumplin	Chief Operations Officer	None	September 1977	January 2021
Sandhya Kawar	Chief Risk Officer	<ul style="list-style-type: none"> <li>• Eastern Learning Alliance (from 30th June 2025)</li> </ul>	May 1983	April 2022

Peter Burrows, Richard Brockbank, Carole Charter, Lucy Crumplin and Sandhya Kawar each have a service contract with the Society terminable by either party giving six months’ notice.

Correspondence to Directors jointly or individually should be addressed ‘Private and Confidential’ and c/o Forvis Mazars LLP, Chartered Accountants, 30 Old Bailey, London, EC4M 7AU.

# Annual Business Statement

for the year ended 31st December 2025 (continued)

## 4. Information relating to the officers at 31st December 2025

Name	Occupation	Other Directorships during the year
Officers		
Thomas Llewelyn	Company Secretary	None

Member of the Building Societies Association  
 Registered Number 82B. Instituted 1850. Incorporated 1945  
 Head Office, 51 Newmarket Road, Cambridge CB5 8EG  
 Telephone: 0345 601 3344, website: cambridgebs.co.uk

We've learned a thing or two over the past couple of centuries.

And we'll be here to keep evolving with open minds and local hearts for many centuries more.

We'll be here for those first ever savings accounts. For making that dream home happen. We'll be here for a brew and biscuit when you need to chat. And when the world makes waves, we'll be here to glide through change like a swan on the Cam.

**We're not here for profits and the awards don't matter (honestly). Because above all we're here for our members. And whether you're with The Cambridge in branch, online or on-the-go... when life brings you its biggest moments, we'll be here.**

**The Cambridge Building Society**

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