

# Summary Financial Statement

For the year ended 31 December 2025

## Contents

Financial highlights	3
Summary directors' report	4
Summary financial statement	6
Explanation of key financial notes	7
Independent auditor's statement	8
Summary report on remuneration	10

**Principal office** Allenview House, Hanham Road, Wimborne, Dorset, BH21 1AG

Firm reference number 156580

### Directors

J Nicholson, Chair of the Board of Directors  
G Opperman, Chief Executive Officer  
J Anderson, Non Executive Director  
J G Dumeresque, Non Executive Director  
P E Jarman, Legal Director & Secretary  
K Malayapillay, Non Executive Director  
J McAtear, Non Executive Director  
R K Patel, Finance Director  
P Winter, Non Executive Director

**External auditor** BDO LLP, London

**Internal auditor** RSM Risk Assurance Services LLP, Leeds

**Bankers** National Westminster Bank PLC

## Summary Financial Statement

For the year ended 31 December 2025

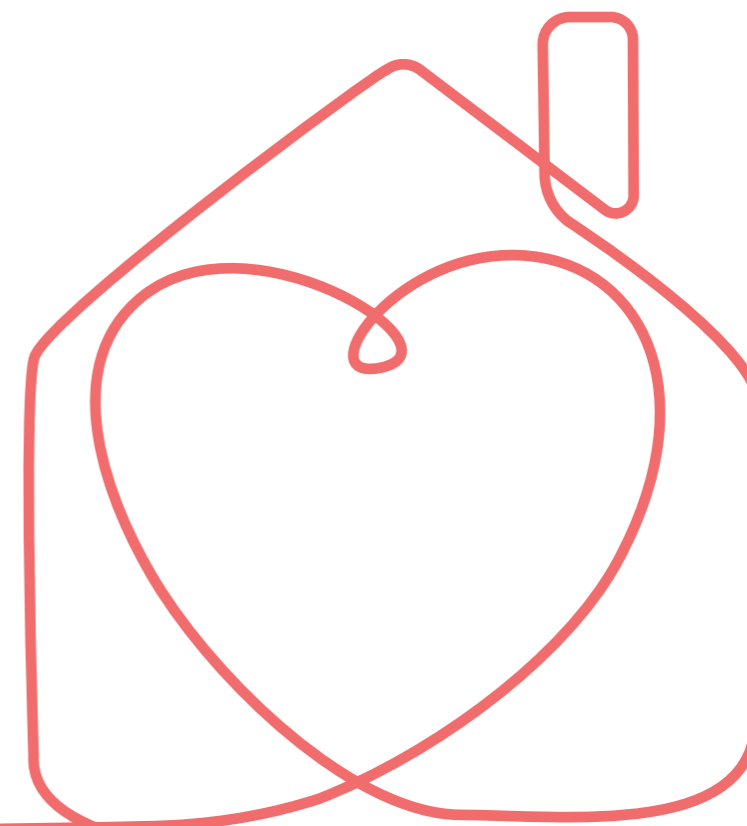
The summary financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on demand from the offices of Teachers Building Society from 2 April 2026 or can be downloaded from [www.teachersbuildingsociety.co.uk](http://www.teachersbuildingsociety.co.uk) from 2 April 2026.

The auditor's report in relation to the full financial statements was not qualified in any respect.

The summary directors' report includes information taken from the chair's statement and strategic report as set out in the Society's annual report and accounts.

### Financial highlights:

- Mortgage assets at the year-end of £291.6m (2024 : £297.4m)
- Profit for the year after tax was £60k (2024 : Loss £1,414k)
- Shares and customer deposits at year-end of £339.8m (2024 : £337.0m)
- Gross capital ratio remained strong at 7.1% (2025 : 6.8%)



## Chair and Chief Executive's Statement

Dear members,

Welcome to our Annual Report and Accounts for 2025.

The past year has remained challenging for many households across the UK. Interest rates stayed at higher levels as the Bank of England continued its efforts to bring inflation under control, increasing borrowing costs for mortgage holders while improving returns for savers.

Although the Bank of England reduced rates over the period as inflation eased, many families continued to feel pressure on household budgets. The housing market was quieter than in recent years, with affordability constraints affecting activity, particularly for first-time buyers. Lower rates have started to relieve borrowing costs but they have also placed downward pressure on savings returns, requiring careful balance.

Economic uncertainty, including geopolitical tensions and slower growth in some major economies, continued to influence energy prices, financial markets and overall confidence both in the UK and globally. Against this backdrop, the Society has focused on strengthening performance following the challenges experienced in 2024 and on laying the foundations for future growth.

### Society performance 2025

As anticipated, 2025 remained a tough year for the Society, but we are pleased to report that the Society returned to an overall profit (albeit modest) following the loss recorded last year. The profit of £60k reflects a year of consolidation and recovery and the foundations of growth. The balance sheet reduced by £11.0m over the year as a whole, but on a monthly basis we saw a return to growth in September which has continued each subsequent month. The year on year reduction was largely driven by high levels of mortgage maturities and our decision to remain disciplined when setting rates in a competitive market.

Importantly, during the year the Society repaid the remaining balance of funding drawn under the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME), completing repayment in full. This reduces the Society's reliance on wholesale funding sources.

The Society continues to operate from a position of financial strength. Our capital ratio at 17.75% and liquid asset ratio at 21.2% are both comfortably in excess of regulatory requirements, providing resilience as we look ahead.

### Lending

Mortgage market conditions remained challenging throughout 2025, with affordability pressures continuing to affect many borrowers, including those whose previously lower fixed rate deals were ending and also buyers attempting to step onto the ladder for the first time.

Despite this, supporting teachers and education professionals remained at the heart of our lending activity and teacher first-time buyers accounted for a significant portion of our new mortgage lending.

Overall mortgage balances reduced during the year in line with our expectations, ending 2025 at £289.4m, an £8.3m reduction compared to 2024. This reduction largely reflects a higher level of mortgage maturities during the year. Total mortgage advances for the year were £72.9m, compared to £30.7m last year. Given this, overall performance was positive.

Overall, the Society's mortgage book continues to perform well with just 0.19% (2024: 0.07%) of mortgage balances three or more months in arrears. This continues to compare favourably to both the Building Society sector and wider industry.

During the year, we took an important step in reinforcing our core lending purpose by introducing mortgage products offering up to seven times salary for teachers, including at loan-to-value ratios of up to 95%. This reflects our commitment to adapting our proposition to meet the realities faced by teachers trying to access home ownership.

### Funding

Savings balances increased over the year. Despite competitive conditions and a high volume of maturities we attracted additional funding from retail savings to refinance TFSME. The Society ended 2025 with savings balances of £339.8m, a £2.8m increase on 2024.

Competition in the savings market remained intense throughout 2025. Nevertheless, the Society continued to offer attractive value to savers, with a number of our accounts featuring in best-buy tables and our ISA products receiving coverage in the national press.

The Society remains committed to offering fair and competitive rates to savers while balancing the needs of borrowers and the long-term sustainability of the Society.

### Our purpose and looking ahead

During the year, we completed an upgrade to our existing core banking platform that strengthens the resilience of our systems and will support improved efficiency, security and service for members in the years ahead.

In 2025, we also renewed our commitment to our brand and to the education community we exist to serve. In support of this our communications department launched a refreshed strapline both externally and internally: "Opening doors for teachers. Since 1966." This reflects both our history and our continued focus on supporting teachers through changing market conditions.

While the year has been one of consolidation, we have made meaningful progress following the challenges of 2024 and in strengthening the foundations of the Society and importantly, returning the Society to profit. As a mutual, we are able to take a long-term view, and will continue to prioritise resilience, fairness and member value to drive growth.

As we move forward, we remain focused on supporting members through uncertain times. Any member experiencing financial difficulty is encouraged to contact our experienced team at the earliest opportunity so we can discuss the options available.

We would like to thank you for your continued trust and support.

**Julie Nicholson**, Chair 6 March 2026

**Gavin Opperman**, Chief Executive Officer 6 March 2026

### A statement on leadership changes from the Chair of the Board of Directors

This year also marked a period of leadership transition for the Society. In 2025, Gavin Opperman was appointed as Chief Executive Officer succeeding Simon Beresford. Gavin joined the Society with 30 years' financial services experience, a strong appreciation of our mutual values and a clear commitment to our founding purpose of supporting teachers and education professionals. The Board is confident that, under his leadership, the Society is well placed to continue serving members' long-term interests.

In late 2025, Rajesh Patel, Finance Director, announced his intention to step down from his role. The process to appoint a successor is in its final stages and an announcement will be made once regulatory approval for the appointment is received.

**Julie Nicholson**, Chair 6 March 2026



## Summary Financial Statement

### For the year ended 31 December 2025

<b>Income Statement</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
Net interest income	7,839	8,050
Other income and charges	(120)	(47)
Fair value gains	51	195
Recurring operating expenses	(7,696)	(10,238)
<b>Operating profits/(losses) before provisions</b>	<b>74</b>	<b>(2,040)</b>
Provisions	15	168
<b>Profit/(loss) for the year before taxation</b>	<b>89</b>	<b>(1,872)</b>
Taxation	(29)	458
<b>Profit/(loss) for the year</b>	<b>60</b>	<b>(1,414)</b>

<b>Statement of financial position at year end</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Assets</b>		
Liquid assets	72,099	76,716
Mortgages	291,554	297,371
Derivative financial instruments	379	1,642
Fixed and other assets	2,466	1,595
<b>Total assets</b>	<b>366,498</b>	<b>377,324</b>
<b>Liabilities</b>		
Shares	230,877	233,352
Borrowings	108,946	118,829
Derivative financial instruments	1,480	471
Other liabilities	1,193	730
General reserve	23,272	23,210
Revaluation reserve	730	732
<b>Total equity and liabilities</b>	<b>366,498</b>	<b>377,324</b>

<b>Summary of key ratios</b>	<b>2025</b>	<b>2024</b>
Liquid assets as a percentage of shares and borrowings	21.2%	21.8%
Profit/(loss) for the year as a percentage of mean total assets	0.02%	(0.35%)
Management expenses as a percentage of mean total assets	2.07%	2.57%

Approved by the Board of Directors on 6 March 2026 and signed on its behalf by:

**Julie Nicholson**, Chair of the Board of Directors

**Gavin Opperman**, Chief Executive Officer

**Rajesh Patel**, Finance Director

## Explanation of key financial ratios

### Liquid assets as a percentage of shares and borrowings

Liquid assets consist of cash, balances with the Bank of England and other assets easily converted into cash. Liquid assets enable the Society to meet requests for withdrawals from investors, make new mortgage loans to borrowers and to fund its general business activities.

The liquid asset ratio measures the relationship between liquid assets and the Society's liability to investors and depositors.

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

The Society aims to make a reasonable level of profit in order to support growth and maintain capital strength.

The profit to asset ratio measures profit after taxation for the year as a percentage of the Society's average total assets during the year.

### Management expenses as a percentage of mean total assets

The Society seeks to manage its operating expenditure as efficiently as possible in delivering the financial products and services members require.

Management expenses comprise operating expenses, excluding other operating charges, as reported in this document which includes staff costs, depreciation and amortisation of property, plant and equipment and intangible assets, and other administrative costs.

The management expenses ratio expresses the Society's management expenses as a percentage of average total assets during the year.



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

### Opinion on the summary financial statement

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

We have examined the Summary Financial Statement of Teachers Building Society ('the Society') for the year ended 31 December 2025 which comprises the Income Statement, Statement of Financial Position at the end of the year and the notes to the Summary Financial Statement.

### Basis for Opinion

Our examination of the Summary Financial Statement consisted primarily of:

- Agreeing the amounts and disclosures included in the Summary Financial Statement to the corresponding items within the full Annual Accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2025, including consideration of whether, in our opinion, the information in the Summary Financial Statement has been summarised in a manner which is not consistent with the full Annual Accounts, the Annual Business Statement and Directors' Report for that year;
- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of Section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full Annual Accounts, the Annual Business Statement and Directors' Report for the year ended 31 December 2025.

We also read the other information contained in the Summary Financial Statement and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the full Annual Accounts, the Annual Business Statement and Directors' Report.

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

### Directors' Responsibilities

The directors are responsible for preparing the Summary Financial Statement, in accordance with applicable United Kingdom law including the Building Society Act 1986.

### Auditor's Responsibilities

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

### The purpose of our work and to whom we owe our responsibilities

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

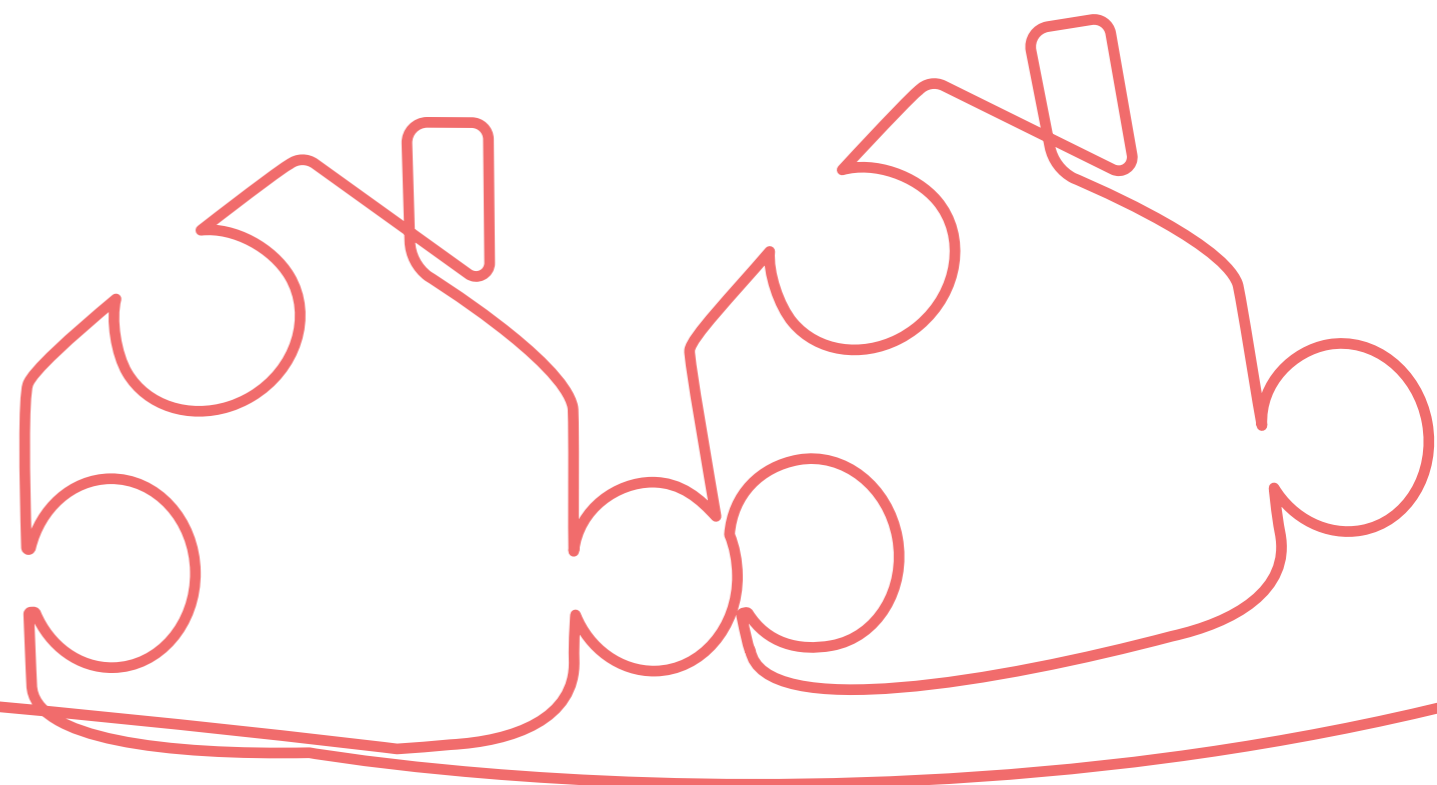
David Gonnelli (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

6 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Summary report on remuneration

### Policy on directors' remuneration

The Board aims to follow best practice in its remuneration policy for Directors and has regard to the principles in the United Kingdom Corporate Governance Code relating to remuneration.

### Executive directors' remuneration

Remuneration of executive directors is reviewed annually by the Remuneration Committee. Remuneration is assessed by reference to jobs carrying similar responsibilities in comparable organisations, and other criteria such as expertise, experience and contribution to the Society's performance.

### Non Executive directors' remuneration

The remuneration of Non Executive Directors (other than the Chair) is reviewed each year by the Executive Directors and the Chair, and a recommendation is made to the Board. The Chair's remuneration is reviewed each year by the Remuneration Committee without the Chair being present. The committee compares the level of fees to those paid in similar financial services organisations and considers the responsibilities of each Director and the amount available determined by the Society's rules.

## Individual director's emoluments

Fees paid to Non Executive Directors		
Director	2025 £000	2024 £000
J Nicholson	43	43
I Grayson (until 25.04.2024)	-	10
P Winter	32	32
J G Dumeresque	32	32
J Anderson	32	32
K Malayapillay	32	31
J McAtear (from 11.04.2024)	30	21
<b>Total</b>	<b>201</b>	<b>201</b>
Executive Directors' remuneration		
S Beresford (until 01.04.25)		
Salary	75	224
Benefits	1	1
Pension contributions	7	22
Car allowance	2	5
<b>Total</b>	<b>85</b>	<b>252</b>
G Opperman (from 02.04.25)		
Salary	169	-
Bonus	37	-
Benefits	1	-
Pension contributions	17	-
Relocation allowance	20	-
<b>Total</b>	<b>244</b>	<b>-</b>
P E Jarman		
Salary	113	114
Bonus	23	-
Benefits	2	2
Pension contributions	5	5
<b>Total</b>	<b>143</b>	<b>121</b>
R K Patel		
Salary	181	182
Benefits	2	2
Pension contribution	18	18
<b>Total</b>	<b>201</b>	<b>202</b>
<b>Total Directors' remuneration</b>	<b>874</b>	<b>776</b>



Teachers Building Society, Allenvie House, Hanham Road, Wimborne, Dorset BH21 1AG. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Register no 156580).