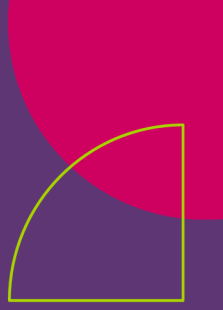




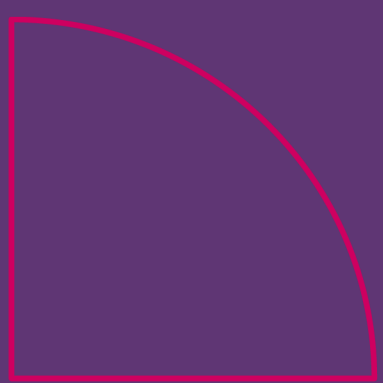
Market Harborough
BUILDING SOCIETY



Summary Financial Statement

2025

Together we
thrive!



SUMMARY FINANCIAL STATEMENT

For the year ended 31 December 2025

STATEMENT FOR THE PURPOSES OF SECTION 76 (4) OF THE BUILDING SOCIETIES ACT 1986

This Summary Financial Statement is a summary of information in the audited Financial Statements, Directors' Report, and Annual Business Statement, all of which will be available to members and depositors free of charge on demand at every office of Market Harborough Building Society and online after 1 April 2025.

Approved by the Board of Directors on 23 March 2026.



Lesley Titcomb

Chair



Iain Kirkpatrick

Chief Executive



Nicholas Fielden

Chief Finance Officer

SUMMARY DIRECTORS' REPORT

Your directors have pleasure in presenting their Annual Report for the year ended 31 December 2025.

BUSINESS OBJECTIVES

Your Society's principal business objectives are the provision of secured lending on residential property and savings products for private individuals and small businesses. The Society operates solely in the UK and all of its operations are based in the UK. The Society's products are promoted nationally via mortgage brokers, the internet and by phone, and in Leicestershire and Northamptonshire via our branches. The Society seeks to develop by offering the combined advantages of value-for-money and innovation in products and by delivering a first-class personalised service to members.

REVIEW OF THE YEAR

The external environment in 2025 was shaped by ongoing global uncertainty, with significant geo-political tensions and economic fluctuations continuing to impact individuals and businesses alike. While the cost of living remained elevated for many households, we saw a gradual easing of interest rates. We also witnessed political shifts, both domestically and internationally. These factors combined to create a challenging backdrop for our members and the wider community.

Although we faced many challenges, I'm pleased to report that our dedication and the outstanding efforts of our team led to a set of excellent results.

I'm proud to report that our financial performance remained strong, achieving a profit before tax of £3.6 million in a challenging market with increased competition in our key areas of lending and savings.

In response to increasing competition in our core markets, we have actively identified a new opportunity in consumer lending and are currently working with the regulators to secure permission to enter this market in 2026. This strategic move will require considered investment which will have an impact on profitability in 2026 and potentially 2027, but both the Executive and Board are united in their commitment to this new initiative, recognising it as a critical step to safeguard our future and enhance our commitment to our 'Thrive' agenda.

As we mark 2025, a landmark year celebrating 250 years of the building society sector, it is a proud moment both for our industry and for our Society. This significant anniversary serves as a reminder of the enduring value building societies provide to our members and communities.

KEY PERFORMANCE AND OTHER INDICATORS

The following “key performance indicators” provide an overview, in tabular form, of the Group’s progress.

	2025	2024	2023
	Group	Group	Group
Total assets	£808m	£863m	£722m
New mortgage lending	£234m	£200m	£198m
Growth in mortgage assets	2.3%	11.1%	13.9%
Net increase in retail deposits	£(14)m	£152m	£92.0m
Liquidity to funding ratio	11.5%	20.8%	17.2%
Management expenses as a percentage of mean total assets	2.0%	1.8%	1.8%
Net Interest Margin	2.5%	2.3%	2.5%
Cost to income ratio	82.7%	82.5%	71.8%
Pre-tax profit	£3.6m	£3.5m	£4.3m
Post-tax profit	£2.7m	£2.6m	£3.3m
Profit as a percentage of mean total assets	0.3%	0.3%	0.5%
Net interest receivable as a percentage of mean total assets	5.8%	6.1%	3.5%
Gross capital as a percentage of shares and borrowings	8.5%	7.5%	8.6%
Free capital as a percentage of shares and borrowings	7.7%	6.7%	7.9%

HIGHLIGHTS OF 2025

- Gross lending of £234m.
- Growth in mortgage assets of 2.3%.
- Pre-tax profit of £3.6m.
- Very low levels of mortgage arrears.
- Continued focus on members and customers.
- Continued support for the local community including £350k donated to the MHBS Charitable Foundation in 2025, which will support good causes across our communities in 2026 to add to the £2.1m spent on social housing to date.

BOARD COMPOSITION

During the year the Board consisted of seven non-executive directors and three executive directors. Temporarily in 2025 the Society had nine non-executive directors to allow for a transition period before Zoe Shapiro and Jonathan Fox stepped down. The Board meets at least six times a year with the addition of at least one strategy session. Board Committees meet at intervening times. Any additional meetings are held as required.

The Society considers all non-executive directors to be independent. The directors holding office during the year were:

Non-Executive Directors	Executive Directors
Lesley Titcomb: Chair	Iain Kirkpatrick: Chief Executive
Andrew Merrick	Nicholas Fielden: Chief Finance Officer
Lindsay Forster	Annemarie Cossar: Chief Customer Officer
Jonathan Fox – Retired 28 th February 2025	
Francesca Hampton	
Mark Record	
Zoe Shapiro – Retired 31 st January 2025	
David Stunell	
Nala Worsfold	

The Society maintains liability cover for the directors as permitted by the Building Societies Act 1986.

CORPORATE GOVERNANCE

The Board governs the Society on behalf of its members and is committed to following best corporate governance practices. The Financial Reporting Council (FRC) issued a revised Code effective from January 2024, except for risk management and internal control updates, which takes effect in January 2026. Although not required for mutual organisations, the Society adheres to the 2024 UK Corporate Governance Code principles applicable to a building society.

The Board's role is to focus on strategic decisions within a framework of prudent and effective controls, which enable risk to be assessed and managed. The Board has a general duty to take decisions objectively in the interests of the Society and to ensure that the Society operates within its Rules and Memorandum, regulations and guidance issued by relevant regulatory authorities and all relevant legislation. In addition, it ensures that appropriate systems of control, human resources and risk management are in place to safeguard Members' interests.

The Board typically meets six times a year and holds further meetings as and when required. The Board met on ten occasions during 2025 to attend to normal governance matters. At least once a year, the non-executive directors meet without the executive directors present.

The Board has appointed a Senior Independent Director (SID) this role was performed by Andrew Merrick in 2025. It is the SID's role is to attend to any matters requiring to be dealt with independently from the Chair and Chief Executive.

Chief Executive Officer's Highlights

Demonstrating robust results amid market uncertainty

Throughout 2025, the external marketplace was shaped by continued geopolitical uncertainty, shifting interest rates, and ongoing concerns about the cost of living. Fluctuations in interest rates have influenced borrowing and savings decisions, while many households have felt the pressure of rising everyday expenses.

As the year ended, uncertainty surrounding the national Budget added another layer of complexity, affecting the financial services sector and prompting individuals and businesses alike to reassess their plans. These factors highlight the importance of staying adaptable and responsive to meet members' evolving needs.

Supporting Borrowers and Brokers to thrive

We maintained our commitment to assisting borrowers with complex needs, resulting in another successful year with 17% increase in new lending compared to the previous year. We've seen especially strong results in short-term bridging loans, with advances rising 26% compared to last year. This success helped us earn the title of Best Bridging Lender at the Mortgage Introducer Awards.

As a mutual organisation, we're very conscious of our responsibility to our borrowers. In 2025, we implemented four reductions to our Standard Variable Rate (SVR) worth 0.8 percentage points. We continue to support borrowers facing financial difficulties by providing tailored assistance and guidance. I'm pleased to say that overall, late arrears remained low in 2025 at just 0.8% of the loan book, and no repossessions were made.

Despite this strong performance, we experienced higher than anticipated redemptions during the year, particularly in our bridging portfolio. This trend has had an impact on our overall mortgage book growth, offsetting some of the gains made through new advances. We remain focused on monitoring these developments and adapting our approach to maintain a healthy balance between attracting new lending and retaining existing business.

Supporting Savers to thrive

The Society's savings book has remained stable throughout the year, underpinned by sustained growth in local savings balances and the continued loyalty of our existing customers. This resilience has been driven by our focus on providing attractive products and personalised service, which have not only helped us attract new savers but also retain our longstanding members.

The consistent inflow of local deposits and high retention rates are clear evidence of the trust our community places in us, ensuring the Society's financial position remains secure as we move forward.

As part of the 250th anniversary of the building society movement we were proud to invite our savers to engage in our community efforts with the chance to win £1,000 for a charity of their choice through our monthly prize draw and which has enabled us to support local causes. I'd also like to express my thanks to the members who have featured in our local advertising campaigns, helping us share the Society's story and values with the wider community.

Our members express strong satisfaction with our services, which is evident from our high Trustpilot rating. Their feedback praises the outstanding service delivered by our colleagues and demonstrates our commitment to surpassing members' expectations.

Member engagement with the Society has continued to grow, with increased participation in research panels and member events throughout the year. Our Soulful Christmas celebration brought together nearly 200 members for a memorable and joyful afternoon, providing a wonderful finale to 2025. We're excited to host more events in 2026 and would love to hear members' ideas on what they'd like to see next.

We recognise the vital role our branch network plays in supporting members and ensuring access to cash on the high street, which remains a cornerstone of our service offering. We're particularly excited about the ongoing development of our Welland House branch, where plans include the creation of five new flats to help promote local home ownership. At the same time, we wish to acknowledge the closure of our Corby branch and express our heartfelt thanks to both colleagues and customers for their understanding and loyalty over the years.

Supporting Communities to thrive

Supporting communities and the local initiatives valued by our members remains central to our mission as a mutual organisation. In 2025, we further advanced our Thrive! Agenda, delivering meaningful contributions throughout our communities.

One of the year's most memorable moments was receiving the Excellence in Community & Philanthropy award at the Mortgage Introducer awards, which duly recognised the hard work of both our colleagues and community partners.

Looking ahead to 2026, we're pleased to announce an additional £350,000 donation to the Market Harbour Building Society Charitable Foundation, supporting important local causes. This brings our total community giving to £1 million over the past three years. We're grateful to our customers and colleagues whose support makes this possible, thank you.

We're also embarking on an exciting journey towards B Corp accreditation, which recognises businesses that meet the highest standards of social and environmental performance, transparency, and accountability. Achieving this status would reinforce our commitment to operating responsibly and making a positive impact on society and the environment. As part of this process, we're proposing a rule change that requires your agreement, enabling us to publish an annual sustainability report. This new measure will ensure we remain transparent about our progress and hold ourselves accountable to our members and the wider community.

Supporting Our Colleagues to thrive

We're committed to fostering a truly inclusive workplace, where every colleague feels valued, respected and empowered to be themselves. This year saw the successful launch of our colleague Diversity, Equity & Inclusion (DE&I) network, creating space for open conversation and connecting colleagues through a series of engaging events and initiatives. From workshops to awareness campaigns, we're making sure everyone feels comfortable to speak up, contribute ideas, and help drive change. In addition, we're actively collaborating with other local societies to share learning and best practice, strengthening our collective commitment to diversity and inclusion across the sector.

We're very proud to have been named one of the Top 100 Sunday Times Best Places to Work for the second consecutive year. This achievement reflects our ongoing effort to build a positive and supportive workplace. We're also honoured to be shortlisted in the International Learning Excellence Awards for 2026. These acknowledgements showcase our dedication to excellence and our focus on continuous improvement.

I want to extend my thanks to our colleagues for their dedication and hard work. Their contributions have been instrumental in our success, I'm grateful for their unwavering commitment.

A bold vision for what lies ahead

Our collective responsibility is to ensure we leave the Society in a better place than we found it, securing a strong foundation for future generations. As our core lending and savings markets present increasing challenges, it's vital that we diversify and continue to grow. With this in mind, we've identified an exciting new opportunity in consumer lending and are actively engaging with the regulators to seek permission to bring this to market in the first half of 2026.

We've enjoyed another successful year, continuing to grow our core business whilst keeping an eye firmly on the future. By staying focused on what we do best and making smart choices, we're making sure the Society remains strong and sustainable for generations to come.

I'm grateful to my colleagues for contributing to our above-budget profits this year, and I want to thank our members for their ongoing support as we strive to create a Society that is both relevant and sustainable.

SUMMARY STATEMENT

Results for the year	2025	2024
All figures £'000		
Net interest income	20,548	18,105
Other income and charges	(370)	(269)
Fair value gains and losses	249	(141)
Administrative expenses	(16,827)	(14,540)
Impairment gains / (losses) on loans and advances	22	335
Profit for the year before taxation	3,622	3,490
Taxation	(894)	(908)
Profit for the year	2,728	2,582

Financial position at the end of the year	2025	2024
All figures £'000		
Assets		
Liquid assets	84,643	166,132
Mortgages	679,041	663,639
Derivative financial instruments	4,576	3,328
Debt Securities	29,715	19,647
Fixed and other assets	10,394	10,014
Total assets	808,369	862,760
Liabilities and Reserves		
Shares	700,534	709,114
Borrowings	36,891	88,415
Derivative financial instruments	4,344	2,546
Other liabilities	3,818	2,826
Reserves	62,782	59,859
Total liabilities	808,369	862,760

Summary of key financial ratios	2025	2024
As a percentage of shares and borrowings		
Gross capital	8.5%	7.5%
Free capital	7.7%	6.7%
Liquid assets	11.5%	20.8%
As a percentage of mean total assets		
Profit after taxation	0.3%	0.3%
Management expenses (Group)	2.0%	1.8%
Management expenses (Society)	2.0%	1.8%
As a percentage of total assets at year end		
Return on assets	0.3%	0.3%

Definitions

'Gross capital' represents the general reserve.

'Free capital' represents the general reserve plus provisions for bad and doubtful debts less tangible fixed assets.

'Mean total assets' is the average of the 2025 and 2024 year-end total assets.

'Liquid assets' represents available liquidity on the Group's balance sheet.

'Shares' represent retail deposits made by members

'Borrowings' represent funding and deposits provided by others e.g. Funding from Bank of England

Independent auditor's statement to the members and depositors of Market Harborough 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 Market Harborough Building Society ('the Society') for the year ended 31 December 2025 which comprises the Results for the year, Financial Position at the end of the year, together with the Summary Directors' report.

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 Societies Act 1986.

Auditor's Responsibilities

Our responsibility is to report to you our opinion on the consistency of 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.

BDO LLP

Chartered Accountants and Statutory Auditor

London

23 March 2026

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

DIRECTORS' REMUNERATION

Executive Directors' Remuneration

2025 All figures £	Base Salary	Benefits, Allowances & Other Payments	Performance pay annual incentive scheme	Performance pay long-term incentive scheme	Retention Bonus	Pension Contribution	Total
Iain Kirkpatrick	273,057	29,861	87,750	-	-	-	390,668
Nicholas Fielden	192,095	851	67,397	-	-	19,209	279,552
Annemarie Cossar	148,630	(6,232)	31,800	-	-	14,171	188,369
Total	613,782	24,480	186,947	-	-	33,380	858,588

2024 All figures £	Base Salary	Benefits, Allowances & Other Payments	Performance pay annual incentive scheme	Performance pay long-term incentive scheme	Retention Bonus	Pension Contribution	Total
Iain Kirkpatrick	243,888	26,882	58,766	-	-	-	329,537
Nicholas Fielden	186,212	794	42,999	-	-	18,621	248,626
Annemarie Cossar	133,030	724	28,048	-	-	13,303	175,105
Total	563,130	28,400	129,813	-	-	31,924	753,268

The benefits and allowances received by Executive Directors relate to private medical insurance, buy/sell holiday scheme, the provision of a car allowance and pension allowance in lieu of contribution since only base salaries are pensionable. The negative balance in "Other payments, Benefits & Allowances" represents the payment that the Director paid to purchase holiday through buy/sell holiday scheme in excess of other benefits received.

Iain Kirkpatrick elected to take a pension allowance in lieu of pension contributions.

Non-Executive Directors' Remuneration

Directors fees	2025	2024
All figures £		
Lesley Titcomb – Chair from October 2023	55,562	54,119
Lindsay Forster	33,985	33,177
Jonathan Fox – to February 2025	6,110	40,046
Andrew Merrick	41,752	40,799
Zoe Shapiro – to January 2025	3,010	36,210
David Stunell	37,078	35,825
Nala Worsfold	33,985	33,177
Mark Record - from October 2024	31,827	7,744
Francesca Hampton - from October 2024	36,243	7,744
Total	279,552	288,841

Fees include amounts paid to the Chairs of the Assets & Liabilities Committee, Audit & Compliance Committee, Risk Committee and Remuneration Committee, to the Consumer Duty Champion and to the Chair of the associated Pension and Life Assurance Scheme.

SUMMARY DIRECTORS' REMUNERATION REPORT

This is a summary of the policy on Directors' Remuneration, which is set out in full in the Annual Report. Members will be asked to vote at the Annual General Meeting on an advisory resolution on the Board's policy on the remuneration of directors.

Remuneration Committee

The Remuneration Committee is responsible for determining appropriate remuneration for the Chair and Executive Directors and other Executives, and to make recommendations to the Board concerning the remuneration of Non-Executive Directors (NEDs) and other staff. The Committee has reviewed colleague remuneration and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

Executive Directors

For executive directors the Society seeks to establish an appropriate balance between the fixed and variable elements of remuneration. The Committee has been mandated by the Board to ensure that fixed remuneration is in line with the market rate for executive directors in similar positions at comparable financial organisations. Performance appraisals of the executive directors are carried out at least annually to assess their success in meeting individual and corporate objectives.

The Committee has been mandated by the Board to reward exceptional performance through incentive schemes. Awards under the incentive schemes reflect the outcomes of appraisals.

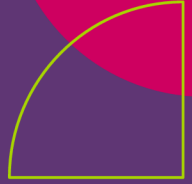
Non-Executive Directors

The Board aims to ensure that fees are in line with the amount paid to non-executive directors in similar positions at comparable financial organisations. The Remuneration Committee makes recommendations to the full Board in respect of any changes to the remuneration of non-executive directors. As is conventional, additional fees are paid to the Chairs of certain Board Committees, in recognition of the additional workload and responsibility.

Non-executive directors' remuneration does not include any bonus payments, pension or other benefits. Non-executive directors do not have service contracts providing for notice periods which exceed three months; neither do they have any contractual entitlement to termination payments. Their effectiveness is appraised annually by the Chair, and the Board as a whole, under the leadership of the Senior Independent Director, assesses the Chair's performance.



Market Harborough
BUILDING SOCIETY



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Member of UK Finance and the Building Societies Association

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Together we
thrive!