

# Record year at Skipton Building Society accompanied by warning on tougher times

Skipton Building Society saw its largest ever year of mortgage lending in 2022 but has given a number of signals of a slowdown in the housing market.

The Yorkshire-based mutual, the country's fourth largest building society, reported revenues of £1.5bn in 2022 and profit before tax of £298.8m. Over the year the organisation's membership grew by more than 50,000 to 1.137m.

But the building society has booked an increase of £17.1m in loan impairment provision, which it says reflect a more adverse economic outlook. Meanwhile, its Connells estate agent division saw profits fall substantially to £67.5m, saying that those results "reflect more challenging housing market conditions".

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Skipton said the number of properties that Connells exchanged contracts on during the year was 18% lower than in 2021, with tougher economic conditions affecting consumer confidence.

Stuart Haire, Skipton Group chief executive, said: "Just two months into my role I can clearly see why more people are coming to Skipton and developing deeper relationships with us to help them secure their financial futures. I can also see opportunity to work with my colleagues across the group to do even more, and for us to further harness the size, depth and experience within the Skipton Group, to be a powerful voice for driving positive societal change.

"Unlike other financial services businesses, in having the

UK's largest estate agency network within our group, Skipton is uniquely positioned to play a leading role in enabling and supporting homeownership. We have unrivalled insight into the UK housing market, expertise in savings and financial advice, coupled with a financially strong, resilient, and growing core business.

"We also hold ourselves to the highest standards of personal accountability in authentically and impactfully steering positive social and environmental change; there's arguably never been a more pertinent time to showcase just what mutuality means and what it delivers for society.

"In 2023 Skipton will celebrate its 170th anniversary. This has been made possible by the sustainable value created across the blend and diversity of businesses."

Skiton said that it had shared more of its financial success with members, communities and colleagues than ever before, including pay rises worth an average of 12.9% for staff and a one-off £1,500 cost-of-living payment. It made charitable donations of over £1.3m during the year, including Connells giving £500,000 to victims of the conflict in Ukraine.

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