



Connecting our communities with a better financial future

Newcastle Building Society Member Update including Summary Financial Statement 2025



Chair's statement



We're on a journey to accelerate the impact we make.

Across the whole Newcastle Building Society Group we continue to demonstrate delivery of our purpose to connect our communities with a better financial future. We can see our approach working through our business growth and through the value we're creating for members and our communities.

Change is underway at our Society. We have ambitious growth plans, and we're on a journey to accelerate the impact we make. In a year of uncertain global politics, uncertain UK economic growth and uncertain government policy, we have continued to deliver our purpose and made progress with our growth ambitions.

We need to remain agile in the face of new challenges and will continue to invest to make the most of future opportunities.

For Greater Manchester – all of it

In the North West, we have brought the Manchester Building Society brand back to the high street. We're using local talent, local ideas, and local expertise to connect communities in Greater Manchester with a better financial future. The opening of our flagship branch in Manchester city centre was a proud moment for the whole Group.

Our place and yours

In the North East, our new flagship branch for the Newcastle brand at Monument in Newcastle city centre represents a huge vote of confidence in our commitment to providing accessible face-to-face services. It's a place designed with a bold ambition to bring communities together, build trust and spark conversations that will lead to better financial futures.

Changing faces

To make sure we are in the right shape for our future, we have reshaped our leadership structure, bringing new experience and skills to the Group.

There are several key changes to our Board:

- David Samper, Amanda Shepherd and Stuart Miller moved on to pursue new opportunities in 2025, stepping down as Executive Directors.
- Chris Keay, our Chief Risk Officer, joined the Board as an Executive Director to provide continuity through this period of change, ahead of his planned retirement at the end of March 2026.
- Due to other commitments, Michele Faull stepped down as a Non-Executive Director in April 2025 and Moorad Choudhry stepped down as a Non-Executive Director in November 2025.
- Long-standing Board members, Anne Shiels and Bryce Glover have both reached the end of their tenure as Non-Executive Directors and will stand down following the 2026 Annual General Meeting.

I'd like to thank all of them for their contributions to the Board and wish them all the best for the future.

These changes bring the opportunity to add new expertise and bring new ideas to the Society. Karen McDonagh Reynolds joined the Board in April 2025 and stands for election at the 2026 Annual General Meeting. In December 2025 we also welcomed Richard Gabbertas to the Board, who will stand for election at the 2026 Annual General Meeting.



Performance highlights 2025



Completion and opening of **flagship branches**

for Newcastle Building Society and Manchester Building Society brands

Also joining the Board is the Society's new Chief Financial Officer, Andrew Conroy, who we welcomed to the business in February 2026.

Good news for building societies

In December 2025, the Bank of England, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) published proposals that could make it easier for building societies like ours to compete, innovate and grow.

The PRA's decision to remove regulations to create a more level playing field for building societies, and the proposal to launch a mutual societies development unit should encourage growth across the mutual sector.

These are positive steps, but it's our responsibility to keep innovating, growing and demonstrating why the mutual model is even more relevant today to all generations.

Thank you to everyone who supports us and gives us feedback that helps us improve. And a huge thank you to colleagues across the Group who work so hard every day to serve you and our communities.

James Ramsbotham, Chair
March 2026



97%
Overall customer satisfaction
(2024: 96%)



174
Individuals supported by Helping Hand
(2024: 188)



9,000+
Colleague volunteering hours
(2024: 10,000+)



£22.6m
Profit before tax
(2024: £15.7m)



£5.9bn
in savings balances
(2024: £5.4bn)



5,800
New mortgage customers
(2024: 5,350)

Chief Executive's review



2025 was a year of real progress.

We grew and invested heavily right across our Group, in our people, our technology and our branches to make sure that we can keep delivering our purpose for members now and in future.

You'll have seen some of this progress on our high streets. We relaunched the Manchester Building Society brand, bringing our member-focused approach to the North West. We opened our new Newcastle Building Society flagship branch at Monument. And our savings management outsourcing subsidiary, is now managing record balances in excess of £52bn for banks and building societies across the country.

We have advanced our programme to replace ageing technology with modern and flexible systems across the Group. We've also started a multi-year-multi-million pound upgrade of our customer facing technology. This means a better experience for customers using our digital and online services and more efficient tools for our branch colleagues too.

While 2024 included exceptional levels of community and charitable activity, including the one off £1m donation to the North East Community Fund, our commitment to supporting members and their communities has remained strong throughout 2025. Across our regions, we have maintained our focus on sustainable and targeted community impact through ongoing partnerships, grant giving and colleague involvement. This year our

support has continued to address local priorities, strengthen financial confidence and create opportunities for people to thrive.

Looking ahead

We continue to make good progress in delivering our purpose, investing in the places we serve, our customer service, and our colleague experience. We can clearly see the value we're creating for members and communities, and the positive impact we're having across our regions.

Controlling costs while continuing to transform our systems and investing in growth are key areas of focus. I believe we are very well placed to address whatever challenges lie ahead and to ensure that the Society and the wider Group will continue to thrive for the benefit of current and future members and their communities.

Financial performance

- Total assets grew to over £7bn (2024: £6.6bn), supported by strong mortgage lending of £1.2bn (2024: £1.2bn) and further growth in retail savings, which increased to nearly £6bn (2024: £5.4bn).
- Investment in two flagship branches, improving digital capability, operational resilience and service meant that operational costs increased. This meant our underlying operating profit before impairment and provisions¹ reduced to £29.7m (2024: £31.9m).
- The Group delivered a profit before tax of £22.6m, up from £15.7m in 2024, largely due to the non-recurrence of the one-off Philips Trust provision in 2024.
- Newcastle Strategic Solutions saw strong income growth but reported a loss before tax of £6.2m for 2025 (2024: £0.3m profit before tax) due to higher staff costs and substantial investment in systems and processes that will improve service, efficiency and product capabilities in future.
- Newcastle Financial Advisers supported nearly 12,000 customer appointments and grew assets under management to more than £1.2bn (2024: £1.1bn).

Andrew Haigh, Chief Executive
March 2026

¹Underlying basis excludes items that arise from events or transactions that are distinct from the core activities of the Group and therefore do not represent the Group's true performance.

Our Group

The Newcastle Building Society Group includes two high-street retail brands, trading across the North East, North Yorkshire, and Cumbria as Newcastle Building Society, and in the North West as Manchester Building Society. Our Group is strengthened by our wholly-owned subsidiaries Newcastle Strategic Solutions Limited, and Newcastle Financial Advisers Limited.

Newcastle Strategic Solutions provides outsourced savings management solutions which help to power our business. It also plays an important role as a regional employer and partner.

Newcastle Financial Advisers provides inclusive, accessible face-to-face financial advice through our branch network, in our local communities, and in our regions' workplaces.

We've spent decades showing how our model works in the North East. Now we're taking our values, our approach, our commitment to place; and sharing it with Greater Manchester. By extending our reach, we multiply our impact and show that our mutual model can grow while staying true to our purpose and values.



Playing our part in creating a sustainable Society.



Growing one member and one community at a time

We are united by shared values and driven by our purpose – to connect our communities with a better financial future:

- We help people to own their own home, to save and to plan their finances.
- We build lasting authentic relationships with customers and partners.
- We foster inclusion, diversity and positive change at work and in our communities.
- We aim to deliver a great place to work where people are empowered to realise their potential.
- We care about sustainability for future generations.

Our strategy starts locally, on your high street. We provide great service in our branches, backed by digital tools from our Newcastle Strategic Solutions subsidiary. The savings that come through our branch network help fund our mortgage offers. And our local presence helps us grow our financial advice business by offering a much-needed service for everyone.

Our purpose of connecting communities with a better financial future is only possible because we're owned by people like you. Together with our member value commitments, we continue to use the Mutual Value Measurement Framework that we adopted in 2023 to report the member value we deliver across three key areas:

Product value, service and accessibility

Membership and community

Partnerships and employment

Take a look at how we've continued to deliver value for our members and communities in 2025. For more detail, please refer to our Annual Report and Accounts.



Our local presence helps us offer a much-needed service for everyone.

Delivering sustainable value for our members

Our product value, service and accessibility commitments

- Continue to offer our members consistent, good value savings interest
- Maintain good value mortgage pricing on our Standard Variable Rate (SVR)
- Provide excellent and personal service to our members
- Maintain an average Net Promoter Score of +80 across all our customer contact areas
- Explore innovative approaches to keep financial services accessible on our high streets
- Continue to open and maintain our branches across the North East and begin opening branches in the North West under the Manchester Building Society brand
- Open our new flagship Monument branch in Newcastle city centre
- Further invest in our digital and mobile channels
- Produce a Branch Impact Statement highlighting how our branches add value for members and positively impact their communities

Welcome to our Newcastle Building Society flagship branch

Our new Newcastle city-centre branch opened in July, following a multi-million-pound refurbishment. With all five floors of the building back in public use for the first time in decades, Monument is more than just a branch. It's a place where communities and partners can come together for meaningful conversations that will make a real difference to the city and beyond. We were proud to welcome North East Mayor, Kim McGuinness on opening day at Monument, and she highlighted how our investments fit alongside her focus on communities and our region's high streets.

Building better for Manchester

Our first branch under our Manchester Building Society brand opened in King Street, Manchester in September. It's a welcoming space for customer conversations and financial advice for all, and a place where people can come together, with one whole floor free for local community groups and charities to use. Greater Manchester Mayor, Andy Burnham gave a ringing endorsement of our approach at the launch event for the new branch; a proud moment after a huge amount of work to get to this point.

Helping you make the most of your money

We are committed to offering our members consistent, good value savings interest. Over the 12 months to December 2025 our savings rates were 0.60% (2024: 0.56%) higher than the market average of 3.03% (source: CACI). That means members like you gained an additional £32.8m of interest. Over the same period, our branch savings balances have grown at more than double the rate of the market average across all channels, including online.

Our residential Standard Variable Rate (SVR) for mortgages remains one of the most competitive on the market. At the end of 2025 it was 6.50% (2024: 6.94%) compared to a market average SVR of 7.20% (source: Moneyfacts). Our average SVR was 6.67% (2024: 6.94%), compared to a market average of 7.44% (source: Moneyfacts) which means our SVR borrowers saved more than £1.6m in additional interest (2024: £2.8m).

Our focus on helping people own their own home means supporting those underserved by the wider market. Last year we introduced our innovative First Step mortgage, offering first time buyers the option to borrow up to 98% of their home's value with a minimum deposit of just £5,000. First Step is targeted at borrowers who've successfully saved a small deposit, helping them get into their first home faster.

Our commitment to place and providing excellent service is shown in outstanding customer satisfaction score; which at the end of 2025 was 97% (2024: 96%). Our record-high net promoter score (NPS) of +87 (2024: +86), shows that members are highly likely to recommend the Society to others.

Listening to you

Our membership and community commitments

- Expand our member and stakeholder engagement, through listening and feedback programmes to enable more members to have their say and influence our future plans
- Maintain passbooks as long as a significant number of members consider them to be worthwhile
- Grow our Community Fund endowment to support ongoing, long-term sustainable grant giving in our regions
- Focus our volunteering programme on utilising our colleagues' skills and experience to deliver greater impact
- Increase the scale and impact of our Helping Hand initiative to reach more members across our region

In 2025 we held six member listening events in communities around our region. More than 130 members and more than 70 colleagues, including Board members and Executive leaders, came along to listen to and discuss priorities and concerns.

You continue to tell us that you're concerned about bank branch closures and that you value your savings passbooks. We can reassure you that branches and face-to-face service remain at the heart of our strategy. We will also continue to offer passbooks as long as a significant number of our members consider them to be worthwhile.

Our Connected Communities online platform provides space for members and communities to provide feedback and help shape the future of the Society. We have more than 900 panellists for Newcastle Building Society and more than 200 for Manchester Building Society.

We also get daily, real-time feedback from our customers. In 2025, we received over 24,500 responses from our customers to help us develop and improve the products and services we provide.

Our Helping Hand service, delivered by Citizens Advice Gateshead, provides fast and free advice on a wide range of issues helping to unlock more than £350,000 in additional income through advice which included eligibility for benefits and welfare support.

Members make things happen

In the North East our long term partnership with the Community Foundation North East has helped grow the Group's Community Fund with almost £70,000 in grants issued to 15 charities working to tackle our areas of strategic focus, work and opportunity and financial confidence.

In the North West, during 2024, we created a new partnership with Forever Manchester. We made an initial donation distribution of £100,000 to fund small grants to local charities and community groups across the Greater Manchester boroughs. In 2025, 10 grants were awarded totalling £30,000, focusing on projects that provide work and opportunity support services, especially those that also foster diversity and inclusion.

All of this is only possible because of members like you.

Our role as a regional employer

Our partnerships and employment commitments

- Grow the impact of our partner programmes in delivering employment opportunities for those facing barriers
- Evolve our culture to ensure the Society is ready and prepared for the next stage of our journey
- Transform our colleague experience through investment in technology, infrastructure and new ways of working
- Bring focus to our Diversity, Equity and Inclusion initiatives through a formal governance framework
- Enhance our colleague offering through a more inclusive approach to benefits
- Ensure our colleagues continue to be part of the conversation in how we deliver greater impact across our regions

Supporting financial confidence and routes into employment

We work closely with Newcastle United Foundation. Through their NU Futures scheme, colleagues deliver financial confidence workshops in schools and other settings. Colleagues also support people into work, by carrying out mock interviews, talking about careers, and helping them prepare for job interviews.

In the North West, we work with EMPOWER who provide thousands of young people somewhere safe to go, the opportunity to take part in positive activities, and access to someone trusted to talk to. As part of our four-year commitment, in 2024 we donated £100,000 to help fund their activities. Colleagues are



working with Youth Zone in Salford to help young people build their financial know-how and develop useful new skills.

Creating a workplace where people can thrive

Creating a workplace where people can thrive and realise their full potential is central to delivering on our purpose. We bring our culture to life through our 'Be The Change' programme and keep improving the ways we work so that we can deliver on our ambitions.

For more detail of how we do this, please refer to our Annual Report and Accounts.

Highlights and awards

- We are committed to LGBTQ+ inclusion, winning the Pride Action North Business Award and the FT Adviser Award and proudly joined the Northern Pride and Manchester Pride marches with colleagues.
- For the second year, we were headline sponsor of Newcastle Mela, the North East's largest multicultural festival, celebrating South Asian culture.
- We remain on track to achieve a gender-balanced Senior Management population by 2026, being close to achieving this since 2024 with 49% of Senior Management being female.
- We were ranked 65th in the UK top 100 employers in the Social Mobility Foundation's Social Mobility Index.
- We were awarded the Living Pension Champion Award in the 2025 Living Wage Champion Awards.

Annual general meeting (AGM)

Notice of AGM

Notice is given that the AGM of Members of Newcastle Building Society will be held on Tuesday 28 April 2026 at Newcastle Building Society, 1 Cobalt Park Way, Wallsend, NE28 9EJ, at 1.45pm, for the purpose of considering and voting on the following matters (items 1 to 3 being proposed as ordinary resolutions and item 4 relating to the election and re-election of Directors):

Ordinary resolutions

1. To receive the Annual Report and Accounts
2. To re-appoint Deloitte LLP as auditors
3. To approve the Directors' Remuneration Report

Election and re-election of Directors

4. i. To re-elect George Adam Bennett
- ii. To re-elect Rory Tristan Sebastian Campbell
- iii. To elect Andrew Peter Conroy
- iv. To elect Richard Kenneth Gabbertas
- v. To re-elect Andrew Scott Haigh
- vi. To re-elect James David Alexander Ramsbotham
- vii. To elect Karen McDonagh Reynolds
- viii. To re-elect Michael Roger Thompson

The Board recommends that you vote "For" each of the resolutions and "For" the election and re-election of each of the Directors.

By order of the Board.

Catherine Bolam, Group Secretary
5 March 2026

Notes

1. These notes form part of the Notice of Meeting.
2. Under the Society's Rules, a Member entitled to attend the Meeting and vote may appoint a proxy to attend and, in the case of a poll, vote on their behalf. You may appoint the Chair of the Meeting or anyone else as your proxy and your proxy does not have to be a Member of the Society.
3. You may direct your proxy how to vote at the Meeting. Please read the instructions on the voting form or on the online voting website specified below.
4. If any Member wanting to attend the AGM would have difficulties in reaching the Society's head office from central Newcastle, they should let us know by filling in the sign-up form at: www.newcastle.co.uk/agmsignup

How to vote

You can vote online, by post or in person.

Online

1. You can vote online at: www.newcastle.co.uk/agm
2. You must vote online by **5pm on Thursday 23 April 2026**. £1 will be donated to the Newcastle Building Society Community Fund at the Community Foundation for every vote submitted online.
3. By voting online, you are appointing the Chair (or another representative that you choose, who does not need to be a Member of the Society) to attend and vote in your place. You can also tell them how to vote at the Meeting by following the instructions online.

Freepost

1. Complete, sign and detach the voting form.
2. Post it in the pre-paid envelope provided. No stamp is required. Your form should be received by the independent scrutineers, Civica Election Services, by no later than **5pm on Thursday 23 April 2026**.
3. By voting by post, you are appointing the Chair (or another representative that you choose, who does not need to be a Member of the Society) to attend and vote in your place. You can also tell them how to vote at the Meeting by following the instructions on the voting form.

Please do not include passbooks or cheques in the pre-paid envelope.

At the AGM

1. You can vote in person at the AGM on **Tuesday 28 April 2026**.
2. Bring your voting form, or other evidence of Membership, to the Meeting.

Please note that the AGM is taking place at the Society's head office at 1 Cobalt Park Way, Wallsend, NE28 9EJ.

Agenda

- Registration 1:00pm (1st Floor of the West Wing).
- AGM 1:45pm prompt.
- Refreshments served upon registration and after conclusion of the Meeting.

Explanatory notes to the business of the AGM

The following explanatory notes to the business of the AGM are for information purposes only and do not form part of the Notice of AGM. Please note that the numbering of the items in these explanatory notes is the same as in the Notice of AGM.

1. The Annual Report and Accounts for the year ended 31 December 2025 are required to be received formally by Members at the AGM.
2. As a building society, the Society is required by law at each AGM to appoint the external auditors who are to hold office until the end of the next AGM. The Board is proposing the re-appointment of Deloitte LLP as auditors.
3. The Summary Directors' Remuneration Report included on pages 16 to 19 of the Member Update, including Summary Financial Statement 2025, summarises the Society's approach to pay for the period 1 January 2025 to 31 December 2025. It also sets out the Remuneration Policy and remuneration details for the Executive and Non-Executive Directors of the Society.

A full version of the Directors' Remuneration Report can be found in the Annual Report and Accounts 2025 which will be available at every branch of the Society from Thursday 26 March 2026. This information is also available online at: www.newcastle.co.uk/agm2026

Voting on the Remuneration Report

At the AGM there will be a vote on the Directors' Remuneration Report as it appears in full in the Annual Report and Accounts 2025.

This vote will be on an advisory basis and the Directors' entitlement to remuneration is not conditional on the vote. We will take the views of our Members seriously, as expressed through this vote, and will consider the results carefully to determine what action, if any, is appropriate.

We intend that voting on the Report will continue to take place on an annual basis.

4. In accordance with best practice on corporate governance, all of the Society's Directors are standing for election or re-election at the AGM, with the exception of Anne Shiels and Bryce Glover who will be retiring as Directors at the end of the meeting and Chris Keay who will be retiring as a Director before the date of the AGM. Andrew Conroy, Richard Gabbertas and Karen McDonagh Reynolds will be standing for election at the AGM.

The biographical details of all the Directors seeking election or re-election are set out on pages 11 to 14 of the Member Update including Summary Financial Statement 2025 and also on pages 56 to 59 of the Annual Report and Accounts 2025.

Those details include their skills, experience and qualifications and why their contributions are, and continue to be, important to the Society's long-term sustainable success. The Board confirms that all of the Directors seeking election or re-election are and continue to be effective with a strong commitment to the role.

Staying safe online

At Newcastle Building Society, we take security very seriously but there are a few things you can do to help keep your online accounts safe:

- Don't write down your online log-in details;
- Make sure you have up-to-date anti-virus and anti-spyware software installed on your computer;
- Take care when opening email attachments;
- Ensure you always log off properly when you've finished transacting online; and
- We will never ask you to send personal details in an email; do not respond to suspicious emails asking for such information.



We're here to listen to you.



Our Directors

Our Board members' skills and experience contributes to delivery of a long-term and sustainable Society, details of which are found in their biographies.



James Ramsbotham
Chair



Appointed August 2021

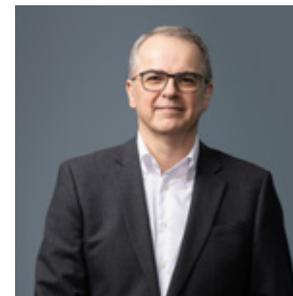
Experience

Prior to joining the Board, he was Chief Executive of the North East England Chamber of Commerce for 15 years, and Chair of Darlington Building Society until December 2017. Previously James was Vice Chair of North East construction firm, the Esh Group, and before this spent 14 years in Corporate Banking at Barclays Bank plc. He was a soldier for 12 years with the Royal Green Jackets and benefited from executive education at Harvard (USA), INSEAD (France), and Oxford University, after graduating from Durham University.

Other roles

James is the Chair of Newcastle Strategic Solutions Limited as well as being Chair of the Society's Nominations and Governance Committee. He is also a Pro-Chancellor of Sunderland University (2016); Honorary Colonel for The Rifles (2007), Lay Canon for Durham Cathedral (2025), made an Honorary Fellow of the Association of International Accountants (FAIA Hon.) (2017); and made a CBE for services to business and the North East economy in the 2019 New Year's Honours.

"Having been part of the mutual sector in various guises I am deeply committed to the unique way in which we can be catalysts for positive change in our communities."



Andrew Haigh
Chief Executive



Appointed January 2014

Experience

With over 30 years' experience in the mutual sector, Andrew has a background in marketing and an extensive track record in transforming and developing businesses. He has held financial services leadership roles as both an Executive and a Non-Executive Director, reinforcing the Board's depth of consumer understanding. His previous experience is drawn from a variety of sectors including the financial services, technology, automotive and airline industries. Andrew became the Society's Chief Executive in May 2015. A proven Chief Executive, Andrew has particular strength in building effective leadership

teams and organisations with a strong sense of social purpose, supporting sustainable business models and healthy, customer focused cultures. He proudly drives our Society's ongoing commitment to equality, diversity and inclusion.

Other roles

Andrew is a Director and Chair of Newcastle Financial Advisers Limited and is a Board member of the North East Chamber of Commerce.

"I'm hugely passionate about the role of mutuals, focused on delivering a balance of meaningful member value and profitability, enabling long-term positive impact in our communities."

■ Nominations & Governance Committee member

■ Director of NSSL

■ Director of NFAL

Our Directors (continued)



Adam Bennett

Non-Executive Director



Appointed April 2019

Experience

During his professional legal career, Adam advised building societies across a range of issues. He brings formidable legal insight and experience of different business models and structures, important given the Group structure, which includes two key subsidiaries, Newcastle Strategic Solutions Limited and Newcastle Financial Advisers Limited.

Adam has advised on rules of building societies, on corporate governance, including compliance with the UK Corporate Governance Code, and on the powers and statutory and fiduciary duties of Directors, all of which contribute to ensuring the

Society deals with its members, colleagues and stakeholders in a responsible, trustworthy and ethical manner.

Other roles

Adam is the Senior Independent Director and a member of the Society's Group Risk Committee and the Nominations and Governance Committee, upholding the Society's commitments to financial control, integrity and regulation.

"Having specialised in advising building societies at a law firm for 37 years, I have a deep knowledge of the mutual sector and my understanding of its associated corporate governance and regulatory requirements contributes to the Board's diverse spectrum of expertise."



Andrew Conroy

Chief Financial Officer

Appointed February 2026

Experience

Andrew has over 20 years' experience in financial services, including a number of senior roles in both building societies and banking institutions. Having worked within finance, treasury and corporate strategy, Andrew has developed strong technical skills in financial accounting and treasury risk management.

Other roles

Andrew is Chair of the Group's Assets and Liabilities Committee and, as Chief Financial Officer, has responsibility for the Group's Finance, Treasury, Property and Third Party Management

functions, along with oversight of its recovery plan and associated activities.

"Much of my career has been in the building society sector due to my belief that mutuals help members achieve financial goals and positively impact their communities. I have joined the Society to use my experience to balance safeguarding the Group's financial position with investing in positive change and increasing member value."



Rory Campbell

Non-Executive Director



Appointed June 2023

Experience

Rory brings extensive experience as a senior executive, Board member and advisor to organisations across a range of industries. Rory spent six years at John Lewis & Partners, including three years on the Management Board, and twelve years as a senior Executive within Lloyds Banking Group. Reflecting the Society's values, Rory is passionate about purpose, society and leadership; he is Partner of The Alexander Partnership, supporting senior executives and Boards of international firms to deliver business outcomes through leadership and team effectiveness.

Other roles

Rory is a Visiting Fellow of Nottingham Business School; an Independent Chair of Trustees of Ignite Consulting Trustee Ltd and a Fellow of The Royal Society for the Encouragement of Arts, Manufactures and Commerce. For the Group, Rory chairs the Remuneration Committee, is a member of the Nominations and Governance Committee, is the Board Sponsor for Diversity, Equity & Inclusion and Board Champion for Consumer Duty.

"I'm passionate about harnessing our Society's connection to purpose, while ensuring we have the strength to deliver long-term impact. I will continue to bring my experience working with businesses and leaders to unlock our best performance."



Richard Gabbertas

Non-Executive Director



Appointed December 2025

Experience

Richard was with KPMG for almost 40 years, and as a Partner he led its building society practice for 23 years, advising and auditing a wide range of societies, from the largest to the smallest. In his advisory roles, Richard specialised in regulation, governance, risk management and mergers and acquisitions. He has also worked with a wide range of retail financial institutions, from FTSE 100 banks to small, local mutuals across UK regions.

Other roles

Richard is a Director of Arbutnot Banking Group plc where he chairs the Board Risk Committee, and previously,

the Audit Committee. He was a Director of Recognise Bank until July 2025, where he chaired the Audit Committee for six years.

Richard is a member of the Group's Audit Committee and Group Risk Committee.

"My professional life was rooted in supporting the mutual sector and its values, and I am immensely proud to be returning to the sector and a building society that espouses those values so passionately in everything it does."

Our Directors (continued)



Karen McDonagh Reynolds

Non-Executive Director



Appointed April 2025

Experience

Karen brings over two decades of senior technology and operational leadership across regulated industries and the not-for-profit sector. Her career spans housing associations, charities and major financial institutions, including Aviva and WTW, where she led complex transformation programmes and large-scale technology delivery.

Recognised as one of the UK's top 100 technology leaders, with repeated inclusion in the CIO 100 (2021, 2023 and 2024), Karen is known for driving high impact digital transformation while maintaining a strong focus on people, performance and purpose.

As a certified coach and advocate for inclusive leadership, Karen is a frequent public speaker on technology, diversity and inclusion. She is committed to championing women in tech and has long supported apprenticeships and widening access to technology careers.

Other roles

Karen is a member of the Group's Audit Committee and a Director of Newcastle Strategic Solutions Limited.

"I bring proven experience in transformation with a people-first approach, ensuring Newcastle Building Society grows stronger while staying true to its purpose for all members and our communities".



Mick Thompson

Deputy Chair & Non-Executive Director



Appointed January 2019

Experience

Mick brings significant accountancy experience with a deep knowledge of audit to support the Society's governance and audit function.

His diverse skillset and broad range of perspectives derives from vast sector experience that has seen him work in industries including housebuilding, social housing, education, engineering, charities and financial services.

Mick spent 21 years as a Partner and nine years as Office Senior Partner at KPMG Newcastle.

Other roles

He is a Non-Executive Director of The Clinkard Group Limited, Atlas Cloud Limited and NorthStandard Ltd. Recognising the importance of charitable

action and giving back to causes throughout the region, Mick is also a Trustee of Greggs Foundation Charity; Trustee of NUFC Foundation Charity; Trustee of Tyne and Wear Building Preservation Trust, and Regional Treasurer of The Lord's Taverners Charity.

He chairs the Group's Audit Committee, as well as being a member of the Group Remuneration Committee and in 2025 joined the Group Risk Committee. Mick also chairs the Newcastle Building Society Pension & Assurance Scheme Board.

"My wide-ranging Board portfolio, particularly in the charity sector, is well aligned to the Society's community focus and contributes to a better understanding of the issues affecting this sector."

Our outgoing Directors

We extend our sincere thanks to these outgoing Directors for the invaluable expertise and contributions that have significantly shaped the future of our Society for the benefit of all our stakeholders.



Moorad Choudhry

Moorad's tenure on the Board, supported by his distinguished career in treasury and wholesale banking, has provided the Society with helpful technical insight and high-level decision-making support. His contributions to the Group Risk Committee and his insight in the principles of banking have reinforced our commitment to maintaining robust financial standards and governance.



Michele Faull

Michele made a significant contribution to the Society since joining the Board in 2021. As a valued member of the Audit Committee, she applied her extensive technical knowledge and practical experience to strengthen oversight across financial reporting, risk and governance.



**Our outgoing
Directors**
(continued)



**Stuart
Miller**

During his eight-year tenure, Stuart made a significant contribution to the progress of the Group, bringing his customer oriented focus to leadership roles in both the Society and in Newcastle Strategic Solutions.



**Amanda
Shepherd**

As Chief Operating Officer, Amanda applied her extensive experience in operations and technology to align our customer service and change strategies with the Society's overarching Strategic Plan.



**Bryce
Glover**

Bryce has provided invaluable commercial and retail banking expertise since 2017, leveraging his understanding of the mutual sector to help shape the Group's long-term strategy. As Chair of the Group Risk Committee, his industry knowledge and business acumen have strengthened our risk framework and supported the continuing growth of Newcastle Strategic Solutions.



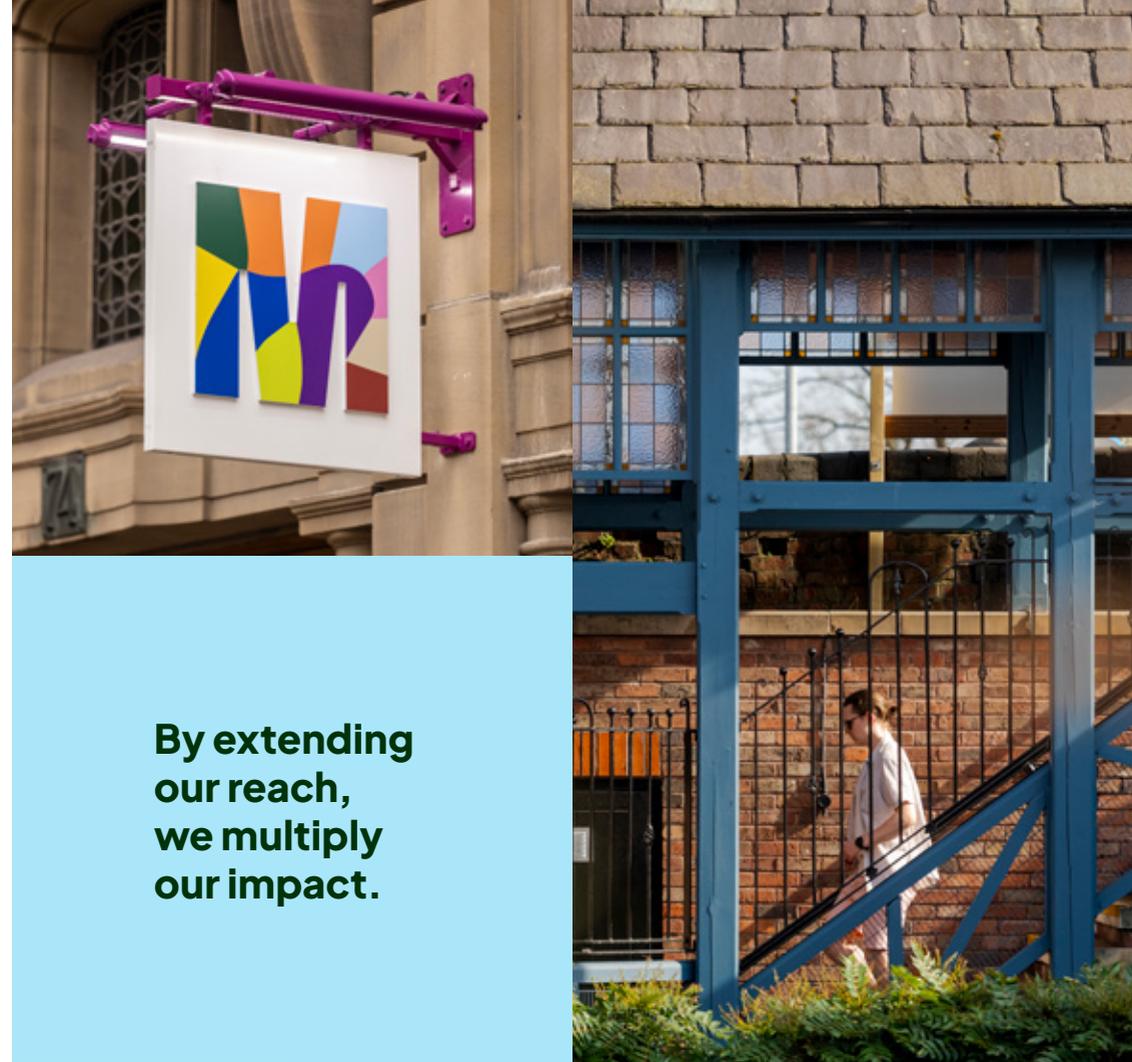
Chris Keay

Drawing on his nearly four decades of financial services experience, Chris provided leadership in regulation, risk and operations during his tenure on the Board in 2025. His extensive background in retail banking and risk management across diverse sectors helped ensure that our strategic decisions remained firmly rooted in both operational excellence and a deep commitment to our customers' interests.



**Anne
Shiels**

Since 2017, Anne has brought strategic leadership and organisational transformation expertise to the Board, ensuring a strong focus on people, culture and governance. As Chair of the Remuneration Committee, her role as a trusted adviser has helped guide our leadership development and the maintenance of rigorous board-level controls.



**By extending
our reach,
we multiply
our impact.**



Remuneration Committee Report

Annual statement from the chair of the Remuneration Committee

Introduction

I am pleased to share the Directors' Remuneration Report, on behalf of the Remuneration Committee (the Committee), which details the Group's approach to pay, incentives and benefits for the period 1 January to 31 December 2025.

Our purpose – connecting our communities with a better financial future – continues to guide every decision we make, including how we recognise and reward our colleagues, leaders and Board members. In a year marked by continued change, easing but persistent cost-of-living pressures, and strong competition for skilled talent, we have evolved our structure and operating model to position the Society for sustainable long-term success. Against this backdrop, the Committee has remained focused on balancing affordability and prudence with fairness and market competitiveness, ensuring our approach to reward supports our strategic priorities while reflecting the challenges faced by many households. Our 2025 pay review therefore maintained a differentiated approach, prioritising lower-paid roles in line with our Real Living Wage commitment, while ensuring we continue to attract and retain the capability required to deliver for our members and communities. Further details of this can be found in the Remuneration Committee Report in the 2025 Annual Report and Accounts.

Directors' Remuneration Policy

Policy aims and principles

The Group's policy for remunerating directors is designed to provide fair and competitive remuneration packages that attract, retain and reward executives, including executive directors, to deliver business objectives in support of the Society's strategy, while providing value for members.

With regard to executive directors' annual pay review, the percentage increases are dependent on performance in the same way that this applies to the Group's wider colleague base.

In designing the Directors' Remuneration Policy, the following key principles have been applied:

- The policy is clearly linked to and influenced by our purpose, strategic plan, objectives and values and serves the interests of all key stakeholders;

- Policy, process and practice are consistent with and promote effective risk management in line with the Group's risk appetite statement and detailed policies;
- Basic pay and total remuneration are set at a fair, affordable, reasonable and competitive level to attract and retain the appropriate calibre of people;
- The approach to pay and total remuneration is inclusive and equitable, supporting wider diversity and inclusion aims;
- The approach to pay satisfies all regulatory requirements and good, responsible corporate governance practice;
- Remuneration arrangements embed our culture and drive correct behaviours;
- Remuneration arrangements are transparent and fair, reflecting individual responsibilities and performance; and
- Remuneration arrangements are straightforward to understand, communicate and administer.

Key changes to the Directors' Remuneration Policy for 2026

The Committee has recently reviewed the Directors' Remuneration Policy for the upcoming year and has determined that it remains robust, appropriate and aligned to our purpose. A recent review of the policy resulted in an update to the malus and clawback provisions to strengthen providing the business with a broader and more robust range of remedial powers.

Chief Executive remuneration

The Chief Executive is the Group's most highly paid colleague and no colleague earns more than any executive director.

Mr A Haigh received a 4.5% pay rise on base salary in April 2025. This increase is an outcome of the independent review of executive reward, undertaken by the Committee's reward advisors Willis Towers Watson and was in line with the increases in the wider workforce.

Director and executive remuneration in respect of 2025

The Committee's role is to determine and recommend a remuneration policy that supports our purpose and long-term strategy, while safeguarding the interests of members and wider stakeholders. In doing so, we maintain a strong focus on governance, fairness, risk appetite and regulatory compliance, working closely

throughout the year with the Group Risk and Audit Committees to ensure continued alignment.

Executive pay increases for 2025 ranged from 0% to 15.7%, reflecting individual performance, evolving role scope and market positioning. The average increase for executives was 5.9%.

Annual bonus awards for executives reflected performance against a balanced scorecard of financial and non-financial measures set at the start of the year. As in prior years, 50% of any executive bonus is deferred, enabling the Committee to assess ongoing alignment with performance, risk and purpose, and to apply malus and clawback provisions where appropriate. These provisions apply for three years post-award; following review, the Committee confirmed no circumstances arose in 2025 requiring their application. Bonus outcomes were broadly aligned, proportionately, with those delivered to colleagues participating in the 'Sharing in Our Success' scheme, which operates on a similar basis but without deferral. Payments and deferred elements under the executive bonus scheme are set out in the table below.

Executive bonus

The Executive Bonus Scheme is paid in three parts, with the first payment of 50% in the year

Executive director	Bonus deferred from	Bonus payable in 2026 £000	Bonus payable in 2027 £000	Bonus payable in 2028 £000	Total deferred bonus £000
Andrew Haigh	2023	37	-	-	37
	2024	45	45	-	90
	2025	129	64	64	257
	Total	211	109	64	384
Amanda Shepherd	2024	12	12	-	24
	Total	12	12	-	24
Chris Keay	2025	57	29	29	115
	Total	57	29	29	115
	Total	280	150	93	523

Directors' emoluments (audited)

The total remuneration received by executive directors is shown below. The information has been audited and shows remuneration for the years ended 31 December 2024 and 31 December 2025 as required under the Building Societies (Accounts and Related Provisions) Regulations 1998. There is a requirement under rule 14 of the Society's rules to have deposits to the value of not less than £1,000 in a Society share account in order to qualify as a director. This means all directors are members of the Society. There are no requirements for a director to own shares in the Society's subsidiary companies.

after the bonus is earned and the remainder over two equal payments in the following two years. This allows the Committee to review whether the payment remains appropriate and in line with strategy and purpose, providing the ability to reduce or cancel the payment in cases such as, but not limited to, significant failures in risk management, material errors or the Society's financial underperformance.

The Executive Bonus Scheme is dependent on performance, measured against personal objectives as well as financial and non-financial performance indicators.

The overall level of executive bonus payments for 2025 were therefore 47.7% of salary.

The rules of the Executive Bonus Scheme determine that under most circumstances no bonus is payable to executives who resign from the business. This applies to bonus payments from the current year and any unpaid deferred elements from prior years.

The bonus has been awarded in line with the rules of the scheme and against the performance metrics agreed at the beginning of the year.

Payments and deferred payments under the Executive Bonus Scheme are shown in the table below.

Details of other Board positions held by the Group's directors outside of the Group are shown in the Annual Business Statement in the 2025 Report and Accounts. None of the current executive directors retained any remuneration as a result of their non-Society positions. The table on page 20 has been audited as it forms part of the financial statements.

	Year	Salary or fees	Taxable benefits	Annual bonus (Note 1)	Pension contributions to defined contribution scheme (Notes 2, 3, 4 & 5)	Total contractual benefits
		£000	£000	£000	£000	£000
Executive directors						
AS Haigh	2025	527	61	257	-	845
	2024	504	59	181	-	744
D Samper Stepped down 31 March 2025, Note 6	2025	91	11	-	-	102
	2024	333	42	-	-	375
S Miller Stepped down 9 September 2025, Note 7	2025	311	40	-	-	351
	2024	296	39	106	-	441
AD Shepherd Stepped down 22 August 2025, Note 8	2025	237	28	-	-	265
	2024	139	18	49	-	206
CJ Keay Appointed 5 September 2025	2025	80	3	115	7	205
Total of executive directors	2025	1,246	143	372	7	1,768
	2024	1,272	158	336	-	1,766
Non-executive directors						
B Glover	2025	76	-	-	-	76
	2024	79	-	-	-	79
ALaverack Business name: Anne Shiels	2025	64	-	-	-	64
	2024	70	-	-	-	70
MRThompson Note 9	2025	96	-	-	-	96
	2024	93	-	-	-	93
GA Bennett	2025	68	-	-	-	68
	2024	65	-	-	-	65
SLynn Stepped down 24 April 2024	2024	18	-	-	-	18
MJ Fauli Stepped down 23 April 2025	2025	17	-	-	-	17
	2024	52	-	-	-	52
JDA Ramsbotham	2025	127	-	-	-	127
	2024	118	-	-	-	118
RTS Campbell	2025	63	-	-	-	63
	2024	52	-	-	-	52
KMcDonagh Reynolds Appointed 23 April 2025	2025	41	-	-	-	41
M Choudhry Appointed 2 January 2025, Stepped down 30 November 2025	2025	53	-	-	-	53
RK Gabbertas Appointed 1 December 2025	2025	5	-	-	-	5
Total for non-executive directors	2025	610	-	-	-	610
	2024	547	-	-	-	547
Total for all directors	2025	1,856	143	372	7	2,378
	2024	1,819	158	336	-	2,313

Notes

- During 2025 the Executive Directors participated in the Group's annual Executive Bonus Scheme. A proportion of the Executive bonus payment is deferred and is payable in future years as shown in the Executive Bonus Payment table.

Under the scheme rules, Mr D Samper is not entitled to any deferred bonus payments due in future years. He therefore will not receive the deferred bonus amount that had been expected for payment in future years (2026: £24,155).
- Mr AS Haigh has elected to take his pension contribution amounting to £47,453 (2024: £45,360) as a cash payment. He is liable for his own tax and national insurance contributions on this payment.
- Mr DA Samper has elected to take his pension contribution amounting to £7,575 (2024: £29,948) as a cash payment. He is liable for his own tax and national insurance contributions on this payment.
- Mr S Miller has elected to take his pension contribution amounting to £28,013 (2024: £26,663) as a cash payment. He is liable for his own tax and national insurance contributions on this payment.
- Mrs AD Shepherd has elected to take her pension contribution amounting to £19,927 (2024: £12,525) as a cash payment. She is liable for her own tax and national insurance contributions on this payment.
- Upon Mr D Samper ceasing to be a Director and leaving the Group, a payment of £324,101 was made to him. This was calculated by reference to the agreed terms of their employment contract. The payment is in addition to the amounts disclosed in the table.
- Upon Mr S Miller ceasing to be a Director on 9 September 2025 and following the end of his contract of employment on 29 January 2026, under the scheme rules, he is not entitled to any deferred bonus payments due in future years. He therefore will not receive the deferred amount of £74,546 relating to his 2023 and 2024 bonus that had been expected for payment in future years (2026: £47,996 and 2027: £26,550).
- Upon Mrs A Shephard ceasing to be a Director and leaving the Group, a payment of £203,105 was made to her, including a £14,016 redundancy payment. This was calculated by reference to the agreed terms of their employment contract. The payment is in addition to the amounts disclosed in the table. Mrs A Shephard retained entitlement to accrued bonus deferrals of £24,518 (2026: £12,259 and 2027: £12,259) under the contractual terms of her redundancy but is not eligible for a bonus payment under the 2025 scheme.
- Mr M Thompson received £20,550 (2024: £19,613) in relation to chairing the Newcastle Building Society Pension and Assurance Scheme Board which is included in the figures presented in the table.

Summary Financial Statement

For the year ended 31 December 2025

This Summary Financial Statement is a summary of information in the audited Annual Accounts, the Directors' Report and the Annual Business Statement, all of which will be available to members and depositors free of charge, on demand, at every branch of the Newcastle Building Society from 26 March 2026. This information is also available online at newcastle.co.uk/agm2026

Summary Directors' Report

The requirements of the Summary Directors' Report for the year ended 31 December 2025 can be found within the Chief Executive's review. The Directors consider the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has continued to be adopted in preparing the Annual Report and Accounts.

Approved by the Board of Directors on 5 March 2026

James Ramsbotham
Chair

Mick Thompson
Chair of the Audit Committee

Andrew Haigh
Chief Executive

Group results for the year

	2025 £m	2024 £m
Net interest income	101.4	91.9
Other income and charges	60.1	55.9
Fair value gains less losses on financial instruments and hedge accounting	(6.5)	4.9
Income from dividends	1.1	0.2
Administrative expenses, depreciation and amortisation	(132.7)	(118.7)
Operating profit before impairments and provisions	23.4	34.2
Impairment reversals on loans and advances to customers	0.7	2.5
Loss on disposal of non-current assets	(0.2)	-
Provisions for liabilities and charges	(1.3)	(21.0)
Profit for the year before taxation	22.6	15.7
Taxation (expense) / credit	(4.6)	0.8
Profit after taxation for the financial year	18.0	16.5

Group financial position at the end of the year

Assets	2025 £m	2024 £m
Liquid assets	1,182.7	1,155.6
Mortgages	5,714.2	5,289.3
Fair value adjustments for hedged risk	16.6	(21.9)
Derivative financial instruments	16.9	56.6
Fixed and other assets	81.5	76.6
Total assets	7,011.9	6,556.2

Liabilities	2025 £m	2024 £m
Shares	5,882.7	5,432.7
Fair value adjustment for hedged risk	1.6	-
Borrowings	646.1	658.6
Derivative financial instruments	44.5	29.4
Other liabilities	29.6	35.4
Subordinated liabilities	19.6	20.2
Subscribed capital	34.7	34.8
Total assets	6,658.8	6,211.1
Reserves	353.1	345.1
Total assets	7,011.9	6,556.2

Summary of key financial ratios

	2025 %	2024 %
Gross capital as a percentage of shares and borrowings	6.57	6.57
Liquid assets as a percentage of shares and borrowings	18.11	18.97
Profit for the year as a percentage of mean total assets	0.27	0.26
Management expenses for the year as a percentage of mean total assets	1.96	1.86

Notes

Gross capital as a percentage of shares and borrowings

Gross capital represents reserves, plus subordinated and subscribed capital. The purpose of capital is to provide a buffer against any losses arising from the Society's activities, thereby protecting investors' funds. The gross capital ratio measures the extent to which a society's activities are funded by capital,

compared to shares and borrowings. The higher this ratio is, the greater the protection for investors.

Liquid assets as a percentage of shares and borrowings

Liquid assets are assets held by the Society, which are in the form of cash or assets which are readily convertible into cash. The ratio is maintained at a level which the directors consider appropriate for the activities of the Society.

Profit for the year as a percentage of mean total assets

A building society needs to make a reasonable level of profit each year in order to maintain and

strengthen its gross capital ratio. It is similar to a company's return on assets. The Society operates a policy of 'profit sufficiency' and one of the most appropriate measures of profitability is to express profit as a percentage of mean total assets.

Management expenses for the year as a percentage of mean total assets

Management expenses are the costs of running the Society and comprise administrative expenses and depreciation. The lower this ratio is, the greater a society's efficiency. The directors also look at a number of other efficiency measures which more accurately reflect efficiency in the Society's business.

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

We have examined the Summary Financial Statement of Newcastle Building Society and its subsidiaries (the Group) for the year ended 31 December 2025 which comprises the Group results for the year, Group financial position at the end of the year and summary of key financial ratios together with the Summary Directors' Report.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Summary Financial Statement contained in the Member Update, in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Member Update with the full Annual Report and Accounts, 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.

We also read the other information contained in the Member Update and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Chair's Statement, Chief Executive's Review and Summary Directors' Remuneration Report.

Basis of opinion

Our examination involved agreeing the balances in the Summary Financial Statement to the full Annual Report and Accounts, Annual Business Statement and Directors' Report. Our report on the Group's and Society's full Annual Report and Accounts describes the basis of our audit opinion on those full Annual Report and Accounts.

Opinion on Summary Financial Statement

In our opinion, the Summary Financial Statement is consistent with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of Newcastle Building Society for the year ended 31 December 2025 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made thereunder.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Section 76(5) of the Building Societies Act 1986. Our 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, for our audit report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor, Manchester, United Kingdom
5 March 2026

Our locations

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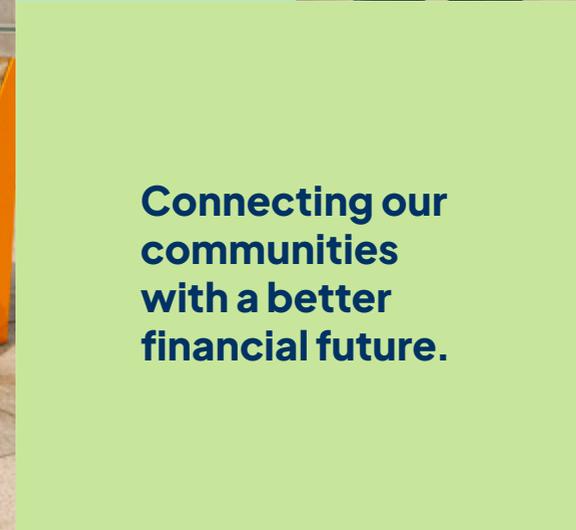
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Manchester Building Society is a trading name of Newcastle Building Society

