

Connecting our communities with a better financial future

Newcastle Building Society Member Update including Summary Financial Statement 2024





Performance Highlights 2024



£15.7m

Profit before tax
(2023: £29.1m)



£34.2m

Operating profit before
impairments
(2023: £31.4m)



96%

Overall customer
satisfaction
(2023: 95%)



12.2%

Common Equity Tier 1
(2023: 12.5%)



+49

Colleague engagement score
(2023: +57)



10,000+

Colleague volunteering hours
(2023: 10,000+)



£5.4bn

Savings balances
(2023: £5.0bn)



£1.2bn

Gross residential lending
(2023: £1.1bn)



5,350

New mortgage customers
(2023: 5,700)



188

Individuals supported
through Helping Hand



£140k+

in community grants distributed
through Community Fund



4

Branch investments
completed



Chair's Statement

In 2025 the mutual sector will celebrate the passing of 250 years since the first building society was established in 1775. So much has changed since then, but what remains is the principle that building societies seek to deliver purpose beyond profit, by focusing on the interests of their Members and in many cases, local communities.

The Government have made a commitment to double the size of the mutual and co-operative sector. We welcome this ambition and the recognition that the building society model and member-ownership can play a valuable role in tackling the challenges facing our country, economy, and our society more generally.

Newcastle Building Society, together with the subsidiaries that make up our Group, has made great progress in 2024 in delivering our Purpose and creating value for our Members across the North East and beyond. That achievement sits at the heart of what we now aim to deliver by bringing the Manchester Building Society brand back to the high streets of the North West.

We're still doing what we originally set out to do – helping people to own their own homes. We're also seeing more money being saved through our branches than the market average. And more Members are joining us because they see the benefits of being part of the Society.

It has been very distressing to hear the problems that Members have experienced as a result of the actions of Philips Trust Corporation. Although there was no obligation to do so, the Society chose to offer voluntary financial support to those Members impacted by the actions of Philips Trust and this process is already well advanced.

Looking forward

2024 was another eventful year, creating challenges for our Members and communities, and posing questions for businesses of all shapes and sizes. Falling inflation and uncertainty within the wider economy gave your Board plenty to think about in our support for our organisation.

I'm confident that the Society is making good progress on its ambitions for growth and increasing value for Members and the wider community. Our continued progress in delivering our Purpose, the steady growth and sound financial performance, all point to the relevance and positive impact of the mutual model in these often challenging and difficult times.

Our full Chair's Statement can be found in the Annual Report and Accounts. Please visit newcastle.co.uk/media-centre/financial-results

**“
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.
”**

James Ramsbotham
Chair
28 February 2025



Chief Executive's Review

2024 saw another strong performance for Newcastle Building Society and the wider Group. We continue to keep our Purpose, 'Connecting our communities with a better financial future,' as the driving force of all that we do.

Delivering that Purpose for the long term requires a deep understanding of the communities we serve, careful allocation of resources and an ongoing commitment to innovation, investment and growth across the Group.

It was another challenging year for our communities, facing higher living costs and wider economic uncertainty. I am particularly encouraged by the Society's progress on our commitment to place, particularly around branch innovation and delivering face-to-face service. In 2024 we laid the foundations for a bright new future for the Manchester Building Society brand and demonstrated our ongoing commitment to innovation, investment and growth across the Group.

Manchester Building Society will open branches, starting in the heart of Manchester city centre in 2025. Over time, we will open branches across the boroughs of Greater Manchester, creating and enabling employment for local people, and becoming a catalyst for regional success just as we have throughout the North East.

In 2024 our wholly owned subsidiary Newcastle Strategic Solutions celebrated 20 years of supporting its clients with outsourced savings management.

With a vital role in generating profits for the Group, it now manages client savings balances of more than £50bn and, in 2024, increased its client base to 17 UK banks and building societies from 16 in 2023.

Throughout the year we have consistently shown how important it is to listen to Members and do the right thing for our communities. The pace of change, growth progression, and our place-based, Purpose-led approach gives me confidence in the years ahead.

This Purpose and Member Value Report gives you more detail of the actions we have taken to support our Purpose, provide value and support our communities.

We look back on 2024 with gratitude to all those who made our journey possible and look forward with positivity, as we seek to further our efforts to 'Connect our communities with a better financial future'.

Our full Chief Executive's Review can be found in the Annual Report and Accounts. Please visit newcastle.co.uk/media-centre/financial-results

**“
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.
”**

Andrew Haigh
Chief Executive
28 February 2025

Purpose and Member Value

The Building Society difference

Being a Purpose-led, Member-owned business means we think differently about how we address the needs of our customers and communities.

Our strategy is to deliver our Purpose in ways that are valued by our Members, positively impact our communities and 'power' business growth and our long-term success and sustainability.

We want to be valued for more than just the good rates we offer through our products and services. We want to be valued for the strength of our relationships, often spanning generations; our commitment to our communities and for continuing to offer face-to-face service on our high streets.

We want to be valued in our role as a local employer and enabler of talent, and for the partnerships we build with like-minded community organisations. We strive to be an inclusive, welcoming place for customers, communities and colleagues alike and to provide information, financial education, guidance and advice to all.

Connecting our communities with a better financial future



Helping people own their own home, save and plan their finances



Building lasting authentic relationships with customers, clients and partners



Being a great place to work where people can realise their potential



Fostering inclusion, diversity and positive change at work and in our communities



Caring for our environment and ensuring sustainability for the future

We believe that the way we deliver our Purpose needs to be explicitly and intrinsically connected to real value through the eyes of the Members and communities we serve. We act differently to many other financial providers – for example, we are growing our branch network while banks continue to close their branches by the thousand. In 2023, we adopted a new framework to bring even greater focus to our delivery of Purpose and to help us drive more meaningful impact and value from our actions. The Mutual Value Measurement (MVM®) framework was developed in Australia, by the Business Council for Cooperatives and Mutuals and Monash University in Melbourne, working with Warwick University in the UK.

We were the first UK mutual to be formally accredited and recognised as a 'Good Mutual Business' and we continue to apply this framework to our activities. This Member Value Report shows how and where we have delivered Member value in 2024 against the commitments we set last year, and indicates where we will continue to grow the value we deliver to Members by extending those commitments into 2025.

This Member Value Report aligns our findings from the Mutual Value Measurement framework with our Purpose and strategic intent, and simplifies activities into three broad areas as the framework for reporting Member value:

- Product value, service and accessibility
- Membership and community
- Partnerships and employment



Product Value, Service and Accessibility

Product value

In 2024 we continued to provide competitive savings and lending products, alongside financial advice accessible to all in every one of our branches.

We believe that helping people to plan their financial futures is critical to the difference we can make within our communities.

Savings

Our Member value commitment for 2024 and for the year ahead:

- Continuing to offer our Members consistent, good value savings interest

Over the 12 months to December 2024 our average savings rates for Newcastle Building Society customers were 0.56% higher than the market average, resulting in £28.1m more savings interest for our Members compared to the market average. That is over £3m more than in 2023. In 2024, branch savings balances grew by £442.2m and at a rate of 14.9% (2023: £332.1m and at a rate of 12.2%) compared to the market average across all channels (which includes online) of 5.4%.



Mortgages

Our Member value commitment for 2024 and for the year ahead:

- Maintaining good value mortgage pricing on our Standard Variable Rate (SVR)

Our Standard Variable Rate (SVR) for mortgages remained one of the most competitive on the market at 6.94% throughout 2024 vs a market average of 7.87% (source: Moneyfacts).

This saved Newcastle Building Society SVR borrowers around £2.8m in interest payments during 2024 compared to the market average. That is an increase of £500k over the previous year.

Product Value, Service and Accessibility

Service

Our Member value commitment for 2024 and for the year ahead:

- Providing excellent and personal service to our Members

We have continued to provide an excellent level of personal service to our Members, achieving record high levels of customer satisfaction at 96% (2023: 95%).

Our Member value commitment for 2024 and for the year ahead:

- Aiming to maintain an average Net Promoter Score of +80 across all our customer contact areas

We achieved a record high net promoter score (NPS) of +86 (2023: +82), with branches and financial advice over +90, which suggests customers continue to be happy with the service we provide and recommend our services to others.

Our Member value commitment for 2024 and for the year ahead:

- Further investing in our digital and mobile channels

We've invested in a new digital mortgage application platform and website for our network of intermediary partners, who deliver the majority of our lending. The platform was developed in-house to simplify and speed the process and allow brokers to spend more time with their clients.

Further investments in our digital savings applications, including the introduction of Confirmation of Payee, have helped improve the experience for our savings customers during 2024.



Product Value, Service and Accessibility

Accessibility

Our 2024 business growth was underpinned by the success of our branch network. This challenges established industry thinking that providing accessible face-to-face financial services is too costly. In the past ten years we've invested around £10m in our branches, opening in new locations, and restoring financial services in communities abandoned by the banks.

Our Member value commitment for 2024 and for the year ahead:

- Continuing to open and maintain our branches across the North East and taking steps to begin opening branches in the North West under the Manchester Building Society brand

We opened a brand-new branch in Pickering, a town which was due to become unable to access a local bank in 2025. In Hartlepool, our newly refurbished branch includes a dedicated space for local community groups and charities to use, free of charge. Our new, larger, Middlesbrough branch is in a more prominent location and also offers a community room.

In Manchester, we've committed to opening a new branch in the heart of the city centre in 2025. We've got the keys to a stunning Grade II listed building at 74 King Street. Inside we are busy developing three floors into a community space, meeting space and advice space as well as all the facilities you would expect to find in a building society branch.

Our Member value commitment for 2024 and for the year ahead:

- Opening our new flagship Monument branch in Newcastle city centre

The scale of the renovation to the 200 year old building that will form our new Monument branch meant that it did not open in 2024. However, work continues at pace and it will be opening this year. Consisting of five floors spread over 8,400 sq ft, it will house a full range of branch services, a huge flexible community space, plus meeting, events, and working spaces. Much of the space will be brought back into community use for the first time in decades when it opens in 2025.

Our Member value commitment for 2024 and for the year ahead:

- Continuing to explore innovative approaches to keep financial services accessible on our high streets
- We continued to work on our branch impact statements and expect to share them with Members in 2025

As well as our full range of face-to-face services, information, and advice, our new Pickering branch is also home to a OneBanx multi-bank kiosk, which allows personal and small businesses to withdraw and deposit cash into their own bank account, even if they aren't customers of the Society.

In North Shields, we created our fifth community partnership branch by relocating our North Shields branch to share space with YMCA North Tyneside, an award-winning charity. Alongside their popular community café and gym, we're able to support their excellent work which includes education, youth and community work, and provision of supported accommodation.

Demand for our radically accessible in-person financial advice service remained strong in 2024. With no minimum investment required, financial advice experts from our wholly owned subsidiary, Newcastle Financial Advisers, managed approaching 11,000 appointments in 2024. We continue to make financial advice available in every branch.

Membership and Communities

Membership shaped by you

Our Member value commitment for 2024 and for the year ahead:

- Expand our Member and stakeholder engagement, through listening and feedback programmes to enable more Members to have their say and influence our future plans

In 2024, we held six Member Listening Events with approximately 50 attendees across our branch network.

We tested a new - more informal - discussion-based format with locations chosen across our expanding branch network where Members could meet representatives of our Board and Executive teams. We welcomed existing Members and non-Members plus members of community groups to have their say on what's important to them, and what they'd like to see from their building society. Key themes included:

- The value of face-to-face access to financial services on the high street
- The importance of personal interactions with trusted branch teams
- Concerns around competitor closures and preference for digital banking
- The importance of supporting our region through financial education
- Our work in supporting employability



Our Member value commitment for 2024 and the year ahead:

- Maintaining passbooks for as long as a significant number of Members consider them to be worthwhile

While other banks and building societies withdraw passbooks, we continue to listen to our Members who tell us it's important that they can access their account with a passbook if they want to.

We will continue to offer savings passbooks to those who want one, as part of a wide range of services available on your high street and online.

Membership and Communities

Supporting our communities

Our Member value commitment for 2024 and for the year ahead:

- Grow our Community Fund endowment to support ongoing, long-term sustainable grant giving in our regions

In 2024 we added over £1m to the Newcastle Building Society Community Fund. The donation boosts its total value to more than £3.5m, and means that we can increase the level of grants and establish a sustainable source of funding for charities.

In 2024 the Community Fund awarded 24 grants, worth a total of more than £140,000, reaching more than 200,000 people in areas around our branch network.



Our Member value commitment for 2024 and for the year ahead:

- Focus our volunteering programme on utilising our colleagues' skills and experience to deliver greater impact

Our colleague volunteering-friendly policies encourage individuals and teams to give their time or specialist skills to support local good causes. By aligning colleague volunteering with our strategic community priorities, we have been able to focus support on the issues that matter most in our region.



Our colleagues volunteered more than 10,000 hours, of which over 6,000 were focused on activities supporting our strategic community priorities:

- Employability and opportunity
- Food poverty
- Homeless and housing insecurity
- Debt management
- Sustainability and the environment

We also raised more than £14,000 to support FareShare North East to buy a new van to deliver surplus food and support food banks across the region.

Employment and Partnerships

Our role as a regional employer

We're focused on building a diverse workforce which represents all our communities, where everyone feels able to be themselves at work and can achieve their potential.

Our Member value commitment for 2024 and for the year ahead:

- Evolve our culture to ensure the Society is ready and prepared for the next stage of our journey

We continue to make good progress on our long-term journey to evolve our culture, by building on our solid foundations through our 'Be the Change' programme, to ensure we are ready to address the challenges ahead and are best placed to deliver on ambitions for long-term sustainable growth and success.

Our Member value commitment for 2024 and for the year ahead:

- Begin to transform our colleague experience through investment in technology, infrastructure and new ways of working

In 2024, a significant investment to transform our systems in finance, telephony and people management, helped improve the day-to-day experience for colleagues. A project to upgrade wi-fi in all our branches was also successfully completed, helping to improve connectivity for colleagues and customers. Further investment is planned for 2025.

Our Member value commitment for 2024 and for the year ahead:

- Bring focus to our Diversity, Equity and Inclusion initiatives through a formal governance framework

In 2024, we continued to embed our Place to Be You Strategy. The DE&I Steering Committee was established and is chaired by our Chief Executive and attended by a member of the Board. The Committee meets on a quarterly basis and is tasked with overseeing the implementation of our Place to Be You Strategy and Plan.

We continue to engage colleagues through a range of mechanisms including regular surveys, in-person events, DE&I Colleague-led networks, Colleague Insight Forum, and our suite of internal communications tools. Our colleague employee net promoter score (eNPS) has fallen slightly to +49 (2023: +57), but remains above the financial services benchmark.

Our Member value commitment for 2024 and for the year ahead:

- 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

In 2024 we became the first organisation in the North East – and the first building society in the UK – to become an accredited Living Pension employer. This means all new colleagues receive a default level of pension contribution aligned to Living Pension standards. We also improved our family leave provision and support equalised parental leave to all parents regardless of their route to parenthood, combined with enhanced support for fertility, neonatal and baby loss.

Our colleagues help decide where our charitable grants go. They introduced sponsorship of the Newcastle Mela, participation in Northern Pride and hosting the United for Change: Advancing Race Equity Together conference at our Cobalt head office as well as leading our response to more than 30 of the Vital Signs 'On the Table' events.

Employment and Partnerships

A catalyst for positive change in the region

We supported the Community Foundation Tyne & Wear and Northumberland with Vital Signs 2024, a wide-ranging study into the issues affecting the North East.

We helped to bring together more than 300 leaders from business, charity and the public sector at a series of events to share the findings, spark conversation and drive action. Almost 1,000 people came to close to 100 subsequent 'On The Table' events to chat through the issues, providing structured feedback and ideas.

Vital Signs 2024 informs our strategic community priorities, creating a clear link to our Purpose, including how we approach giving and volunteering.

Our Member value commitment for 2024 and for the year ahead:

- Grow the impact of our partner programmes in delivering employment opportunities for those facing barriers

In the North West, we've committed to working with and supporting two amazing charities as part of our investment in the region: Forever Manchester, and Salford Youth Zone.

We have taken our time to speak with local people, charities and other groups to ensure that what we are building responds to their needs across the regions we serve.

We continue to support the work of Newcastle United Foundation in tackling employability and social isolation. Our Branch colleagues also provide support with financial education in our communities.



In 2024, branch colleagues:

- Delivered more than 200 financial coaching sessions on scam awareness.
- Visited more than 50 schools, reaching nearly 5,000 pupils.
- Helped deliver 33 employability sessions, reaching more than 5,000 participants.

Our Member value commitment for 2024 and for the year ahead:

- Increase the scale and impact of our Helping Hand initiative to reach more Members across our region

One of our most impactful initiatives is our partnership with Citizens Advice Gateshead who deliver our 'Helping Hand' service for Members and colleagues.

In 2024 the service supported nearly 200 people with easy-to-access, free-to-use advice and practical assistance. The service helped them to unlock more than £300,000 in additional income through advice on eligibility for benefits and welfare support.

In summary

Looking forward to the year ahead, we continue to direct our efforts to offer long-term value to our Members as we deliver our Purpose to connect our communities with a better financial future.

Annual General Meeting AGM

Notice of AGM

Notice is given that the AGM of Members of Newcastle Building Society will be held on Wednesday, 23 April 2025 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 4 being proposed as ordinary resolutions and item 5 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
4. To approve the Directors' Remuneration Policy

Election and re-election of Directors

5.
 - i) To re-elect George Adam Bennett
 - ii) To re-elect Rory Tristan Sebastian Campbell
 - iii) To elect Sherif Moorad Saeed Choudhry
 - iv) To elect Michele Jean Faull
 - v) To re-elect Bryce Paul Glover
 - vi) To re-elect Andrew Scott Haigh
 - vii) To re-elect Anne Laverack (Business name: Anne Shiels)
 - viii) To re-elect Stuart Miller
 - iv) To re-elect James David Alexander Ramsbotham
 - x) To elect Amanda Dee Shepherd
 - xi) 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

28 February 2025

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 Wednesday 16 April 2025**. £2 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 Wednesday 16 April 2025**.
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.

Annual General Meeting AGM

At the AGM

1. You can vote in person at the AGM on **Wednesday 23 April 2025**.
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 2024 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.
- 3/4. The Summary Directors' Remuneration Report included on pages 22 to 24 of the Member Update, including Summary Financial Statement 2024, summarises the Society's approach to pay for the period 1 January 2024 to 31 December 2024. 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 2024 which will be available at every branch of the Society from Wednesday 19 March 2025. This information is also available online at: www.newcastle.co.uk/agm2024

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 2024, as well as a vote of the Directors' Remuneration Policy. The Directors' Remuneration Policy (included as part of the Directors'

Remuneration Report) covers the following sections: Policy Aims and Principles; Directors' service agreement and notice periods; Policy on termination pay; Remuneration for Executive Directors; and Remuneration of Non-Executive Directors.

Both of these votes 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.

It is intended that a vote on Policy will take place on an annual basis unless the approved Policy remains unchanged - in which case we will propose a similar resolution at least every three years, in line with the requirements for listed companies. We intend that voting on the Report will continue to take place on an annual basis.

5. 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 David Samper who will be stepping down as a Director before the 2025 AGM. Moorad Choudhry, Michele Faull and Amanda Shepherd will be standing for election.

The biographical details of all the Directors seeking election or re-election are set out on pages 16 to 21 of the Member Update including Summary Financial Statement 2024 and also on pages 25 to 26 of the Annual Report and Accounts 2024..

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.

Our Directors



James Ramsbotham | Chair

Appointed: August 2021

“
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.”

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 in 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. During 2024 he was Chair of the Group Technology and Change Committee. Until September 2024, he was the Chair of Newcastle Financial Advisers Limited.

James is a Pro-Chancellor of Sunderland University (2016); 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.



Andrew Haigh | Chief Executive

Appointed: January 2014

“
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.”

Experience: With over 30 years' experience in the mutual sector, Andrew has 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 healthy, customer focussed cultures, and proudly drives our Society's ongoing commitment to equity, diversity and inclusion.

Other roles: Andrew was appointed a Director and Chair of Newcastle Financial Advisers Limited in September 2024. Andrew is a Board member of the North East England Chamber of Commerce and the Community Foundation serving Tyne & Wear and Northumberland.

Our Directors



Adam Bennett | Non-Executive Director

Appointed: April 2019

“
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.”

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. He is also Chair of the Society's subsidiary, MBS (Mortgages) Limited.



Rory Campbell | Non-Executive Director

Appointed: June 2023

“
I'm passionate about harnessing our Society's connection to purpose. My experience enabling businesses and leaders to unlock this potential will contribute to achieving our ambitions as a purpose-led organisation, making a meaningful difference beyond the bottom line.”

Experience: Rory brings to the Board his extensive experience as a senior executive, Board member and advisor to leaders and organisations in a range of industries.

He previously spent six years at John Lewis & Partners, including three years on the Management Board and as a standing attendee of the Audit and Risk Committee.

Reflecting the Society's values, Rory's passion for purpose, society and leadership sees him devote his time to a number of causes. He is a former independent member of the anti-poverty charity Joseph Rowntree Foundation; 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, Manufacturers and Commerce.

Other roles: Formerly, Rory spent 12 years as a senior executive in Lloyds Banking Group. He is also a member of the Society's Remuneration Committee and the Nominations and Governance Committee.

Our Directors | Continued



Professor Moorad Choudhry Non-Executive Director

Appointed: January 2025

“
It is a great privilege to join the Board at Newcastle Building Society. The building society movement is part of the heritage of this country, and I am looking forward to doing my part to keep the Newcastle moving onwards and upwards!”

Experience: Moorad was a Non-Executive Director on the Boards of Recognise Bank Limited, Loughborough Building Society and Wandle Housing Association before joining Newcastle Building Society, where his experience within the financial services sector will help to inform decision making at Board level.

Prior to that he was Treasurer, Corporate Banking Division at the Royal Bank of Scotland, and worked in wholesale banking and markets roles at several high-profile banks.

Other roles: Moorad is Honorary Professor at University of Kent Business School, Chair of the Audit and Risk Committee at Goldsmiths, University of London, and an independent member of the Board Risk Committee at the Brazilian bank Nubank. He is also a member of the Society's Group Risk Committee.

He is a Fellow of the Chartered Institute of Securities & Investments, the London Institute of Banking and Finance, and the Global Association of Risk Professionals, a Liveryman at the Worshipful Company of International Bankers and Author of the book "The Principles of Banking".



Michele Faull | Non-Executive Director

Appointed: August 2021*

“
I hope to use my commercial experience combined with a passion for helping others succeed to help guide the Society in delivering on its Purpose and fulfilling its commitments to its communities.”

Experience: With 15 years working at the most senior levels in finance and risk at two of the largest mutuals, her time as Chief Financial Officer at Coventry Building Society and Group Risk Director at Nationwide Building Society position her well to deliver significant building society knowledge and a wealth of valuable experience to the Society.

Michele spent nine years as Trustee and Treasurer of the Bow Arts Trust and mentored for The Aspire Foundation, which supports women's development internationally. She currently chairs The Line Public Art Walk charity. Her wide-ranging career has also incorporated roles with global insurer Aviva, accountants PwC where she was a Partner, and IT services provider, ICL.

Other roles: Michele is a Non-Executive Director, member of the Risk and Compliance Committee and Chair of the Audit Committee at IQWV Syndicate Management Limited. She is also a member of both the Society's Audit Committee and Group Risk Committee.

*Michele was originally appointed to the Board in August 2021; however, she did not stand for re-election at the 2024 Annual General Meeting (AGM). Due to a change in circumstances, Michele informed the Board that she was able to continue in her role as a Non-Executive Director. The Board appointed her to a casual vacancy on 29th April 2024; Michele will be standing for election to the Board at the 2025 AGM.

Our Directors



Bryce Glover | Non-Executive Director

Appointed: August 2017

“
My strong credit and risk management background is particularly valuable to informing decisions made in my role as Chair of the Society's Group Risk Committee.”

Experience: Bryce is a highly experienced Director who has operated at Executive Committee and Board level in a number of leading UK financial services businesses.

Adding a genuine breadth of commercial and retail banking expertise, Bryce helps to shape the Group's overall strategy. His extensive industry knowledge and business acumen assist the development of the Group.

The majority of Bryce's career has focused on corporate and commercial banking. He was Managing Director of Commercial Banking at A&L/Santander, before joining Nationwide Building Society in 2009 as a Director heading its Commercial Division, where he managed a £22bn commercial lending portfolio and the society's business savings accounts before heading Corporate Affairs.

He has a deep understanding of the mutual sector, having spent nine years working for the UK's largest building society, the last three as Corporate Affairs Director. He also co-founded a UK SME bank which received its full banking licence in 2021.

Other roles: Bryce is Chair of the Society's Group Risk Committee and a member of the Board of Newcastle Strategic Solutions Limited. During 2024 he was a member of the Society's Group Technology and Change Committee.



Stuart Miller | Chief Commercial Officer

Appointed: January 2018

“
The UK savings and mortgage market continues to go through significant change and I am proud of the part our colleagues have played in supporting our Members through such dynamic and uncertain times.”

Experience: Stuart became the Chief Commercial Officer in January 2025 having previously spent two years as Managing Director of Newcastle Strategic Solutions Limited (NSSL). NSSL is a Group subsidiary and the UK's leading provider of outsourced savings solutions, managing over 1.7m savings accounts on behalf of its clients.

He has over three decades' experience working in the financial services sector, including at Virgin Money, RBS International and NatWest.

Stuart has extensive experience in leading large teams with a focus on delivering an outstanding experience for colleagues and customers which will be a major focus in his new role where he will be accountable for the Member experience across Newcastle Building Society, Manchester Building Society and Newcastle Financial Advisers Limited.

Other roles: Stuart is a Director of Newcastle Strategic Solutions Limited, Newcastle Financial Advisers Limited and spent four years on the Board of the national High Streets Task Force. During 2024, Stuart was also a member of the Society's Group Technology and Change Committee.

Our Directors | Continued



Amanda Shepherd | Chief Operating Officer

Appointed: December 2024

“
I'm passionate about driving meaningful change within organisations, dedicating my career to influencing workplace culture, fostering high-performing environments, and ensuring the customer / client remains at the heart of every decision.
”

Experience: Amanda is a transformative business leader with proven Board, regulator and investor exposure. She plays a key role on the Group's executive team leading the operations, processing, technology and change functions as Chief Operating Officer.

Amanda brings over 30 years' experience working in the financial sector. Her success in developing and implementing change strategies to align with business objectives will be key to the development and delivery of the Society's Strategic Plan and the overall Group strategy.

With a wealth of experience, most recently from the UK's leading platform for private investors, Hargreaves Lansdown, where she was Chief Operating Officer, Amanda also held senior positions at Barclays Bank PLC, leading operations in the UK including Northern Ireland, Scotland and North Wales.

Other roles: Amanda was a former Director on the Board for Hargreaves Lansdown Asset Management and is Chair of the Society's Transformation Steering Committee, a Board Director of Newcastle Strategic Solutions Limited and a member of the Society's Enterprise Risk Committee.



Anne Shiels | Non-Executive Director

Appointed: July 2017

“
As the Society continues to grow, the Board leans on my track record of leading large people functions and experience facilitating transformative organisational change to develop a broader view on matters affecting the Society and assist in developing people strategies, including our approach to culture, talent, succession and reward.
”

Experience: Anne's extensive UK and international board-level experience working with both FTSE 100 and independently owned companies, in both regulated and non-regulated businesses, reinforces the Board's broad range of skill and competency.

Her experience spans sectors including financial services, retail, telecommunications, manufacturing and consumer. Anne's breadth of knowledge, skills and qualities combines strategic leadership and deep people, culture and organisational transformation expertise with a solid understanding of governance, control and risk.

She has held executive roles at Hallmark Cards, Lloyds Banking Group/HBOS, Safeway and Thus Plc.

Other roles: Anne is a trusted executive coach and adviser to Boards and Directors in diverse businesses in the UK and the US. She also chairs the Remuneration Committee and is a member of the Society's Audit Committee. She is also a Director of Newcastle Financial Advisers Limited.

Our Directors



Mick Thompson | Deputy Chair and Non-Executive Director

Appointed: January 2019

“
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.
”

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: Mick 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.

Mick chairs the Society's Audit Committee, as well as being a member of the Society's Remuneration Committee. During 2024 he was a member of the Society's Group Technology and Change Committee. Mick also chairs the Newcastle Building Society Pension & Assurance Scheme Board.

Outgoing Director



David Samper Chief Financial Officer

David Samper, who has served as Chief Financial Officer for over six years has announced that he will be leaving the Society and is not therefore seeking re-election to the Board. David has made a significant contribution to the Society's progress during his time with us, not least in 2024 when he led the successful projects to transform our finance systems and the raising of Tier 2 and Additional Tier 1 capital to support the Society's ongoing plans for investment and growth. We thank David for his contribution and wish him well for the future.

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

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 2024.

As a Society, our Purpose continues to be to 'connecting our communities with a better financial future'. This guides all the Society's actions including how we reward our colleagues, including leaders and Board members. We have ensured our reward and benefit related decisions are guided by our fundamental Purpose, and we have taken steps during the year to ensure our reward package fosters inclusion, diversity and positive change in our workplace. In 2024 this included a higher pay award for colleagues in our lower paid roles, improvements and equalisation of our parental leave provisions and changes to our pension, which has enabled us to become the first Building Society and organisation in the North East to accredit as a Living Pension Employer. Further details of this can be found in the Remuneration Committee Report in the 2024 Annual Report & 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 rise, 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 followed:

- 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 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 2025

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. There is however one proposed change to our Policy for the coming year, as outlined below.

The Committee recently reviewed the Executive Bonus Scheme and undertook an external benchmarking of the scheme compared to other financial services institutions, including other Building Societies. This exercise, supported by independent advice from Willis Towers Watson, indicated that the level of bonus opportunity available to Executives has fallen behind the market in recent years. This is also aligned to the Society's recent experience in recruiting senior roles, where a lower level of bonus opportunity has made it more difficult to attract the appropriate calibre of skills and experience to support the delivery of our ambitious strategic plans.

To ensure the Society can continue to attract and retain the appropriate calibre of Executives, in an increasingly competitive market place, the Committee have chosen to increase the 'on target' bonus available under the Executive bonus from 30% of salary to 50%, with the maximum award increasing from 50% to 75% of salary.

These changes will come into effect from 2025. The scheme will continue to be based on a robust set of financial and non-financial measures together with personal objectives. In addition, there will continue to be a deferred element to the bonus, with 50% of the award paying out in the year after the bonus is earned and the remainder in equal parts over the following two years. The deferred element of bonus goes above and beyond the Financial Reporting Council and Prudential Regulation Authority requirements, however the Committee have chosen to keep deferral in place in line with best practice and to facilitate the effective operation of malus and clawback rules, if required.

Chief Executive remuneration

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

Mr Andrew Haigh received a 5% pay rise on base salary in April 2024. 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 average increase in the wider workforce.

Remuneration Committee Report

Director and Executive remuneration in respect of 2024

The Committee's role is to consider, agree and recommend to the Board an overall Remuneration Policy and approach that is aligned to the Society's overall Purpose, while ensuring that it remains aligned with the long-term interests of the Society's Members and other stakeholders. We constantly strive to maintain the highest standards of governance and fairness in relation to remuneration and ensure continued alignment with our business strategy. Risk appetite and regulatory requirements are also at the forefront of the Committee's consideration and close alignment is maintained throughout the year with the Society's Group Risk and Audit Committees.

The pay increases of our Executive team ranged from 0% to 10.8% in 2024, reflective of personal performance and alignment to market benchmarks. The average/median increase of the Executive team was 5% and was in line with our wider workforce, where the average increase was 7.5% to 10% for colleagues in our lowest paid pay bands and 5% for all other colleagues.

2024 bonus awards were made to the Executive team and reflected the Society's performance against a range of financial and non-financial metrics. The profit metric used for bonus purposes is underlying Group operating profit which is reflective of the core activities of the Group and excludes one off income or expenses, and gains or losses which are outside of the normal course of business. The voluntary financial support to Members that the Society has chosen to make to help customers whose trusts are affected by the actions and subsequent collapse of Philips Trust is considered a one-off item and as such is excluded from underlying group operating profit.

In 2024, underlying group operating profit achieved the stretch target set by the Committee at the start of the year. Under normal circumstances this would result in the maximum pay-out of this element. However the Committee are mindful of the significant value of financial support offered to Members affected by Philips Trust, and the impact this will have upon Group profit before tax. Whilst the Committee fully support the decision of financial support for Members affected by the collapse of Philips Trust it has chosen to operate some downward discretion and reduce the value of bonus payments linked to the profit metric to a 'target', rather than the 'maximum' award value.

The overall level of Executive bonus payments for 2024 were therefore 35.4% of salary. This level of bonus payments is slightly above the 30% on target award but below the maximum available award of 50% of salary.

With the exception of the downward discretion exercised by the Committee, as outlined above, 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.

As per prior years, 50% of Executive bonus is deferred and payable in later years, this allows the Committee to review whether the payment remains appropriate and in line with Strategy and Purpose, providing the ability to operate malus

and clawback rules in place for the scheme and thus potentially reducing or cancelling the payments in cases such as, but not limited to, significant failures in risk management, material errors or the Society's financial underperformance.

The malus and clawback rules are in place for a period of five years after bonus payments are made. The Committee have reviewed the provisions contained in these rules prior to awarding any bonus payments for 2024 and can confirm that no circumstances have arisen which require them to be exercised.

The relative levels of bonus payment for Executives, against the maximum percentage award, was similar for all colleagues across the Group who participate in our 'Sharing in Our Success' Bonus Scheme and the bonus scheme operated in a similar way, except no bonus deferral is in place in our colleague scheme.

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. As per these rules no bonus is therefore payable to David Samper who announced his departure from the business in early 2025.

With the exception of the downward discretion exercised by the Committee, as outlined above, 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.

Executive Director	Bonus deferred from	Bonus payable in 2025	Bonus payable in 2026	Bonus payable in 2027	Total deferred bonus
		£000	£000	£000	£000
Andrew Haigh	2022	54	54	-	108
	2023	73	37	36	146
	2024	90	45	45	180
	Total	217	136	81	434
Stuart Miller	2022	30	30	-	60
	2023	43	22	21	86
	2024	53	27	27	107
	Total	126	79	48	253
Amanda Shepherd	2024	25	12	12	49
	Total	25	12	12	49
	Total	368	227	141	736

As noted above, following David Samper's resignation, under scheme rules, he is not entitled to any deferred bonus payments due in future years. The amounts deferred under the scheme and no longer payable are 2025: £61k and 2026: £25k.

Remuneration Committee Report | Continued

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 2023 and 31 December 2024 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.

Details of other Board positions held by the Group's Directors outside of the Group are shown in the Annual Business Statement. None of the current Executive Directors retained any remuneration as a result of their non-Society positions. The table below 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 and 5)	Total contractual benefits
		£000	£000	£000	£000	£000
Executive Directors						
AS Haigh	2024	504	59	181	-	744
	2023	484	57	146	-	687
D Samper (Note 6)	2024	333	42	-	-	375
	2023	318	41	48	-	407
S Miller	2024	296	39	106	-	441
	2023	279	37	86	-	402
A Shepherd (Appointed 29 July 2024)	2024	139	18	49	-	206
	2023	-	-	-	-	-
Total of Executive Directors	2024	1,272	158	336	-	1,766
	2023	1,081	135	280	-	1,496
Non-Executive Directors						
B Glover	2024	79	-	-	-	79
	2023	70	-	-	-	70
A Laverack (Business name: Anne Shiels)	2024	70	-	-	-	70
	2023	67	-	-	-	67
K Ingham (Retired 26 April 2023)	2024	0	-	-	-	0
	2023	22	-	-	-	22
MR Thompson (Note 7)	2024	93	-	-	-	93
	2023	89	-	-	-	89
GA Bennett	2024	65	-	-	-	65
	2023	60	-	-	-	60
S Lynn (Retired 24 April 2024)	2024	18	-	-	-	18
	2023	63	-	-	-	63
MJ Faull	2024	52	-	-	-	52
	2023	50	-	-	-	50
JDA Ramsbotham	2024	118	-	-	-	118
	2023	113	-	-	-	113
R Campbell (Appointed 1 June 2023)	2024	52	-	-	-	52
	2023	29	-	-	-	29
Total for Non-Executive Directors	2024	547	-	-	-	547
	2023	563	-	-	-	563
Total for all Directors	2024	1,819	158	336	-	2,313
	2023	1,644	135	280	-	2,059

Notes

- During 2024 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 overleaf.
- Mr AS Haigh has elected to take his pension contribution amounting to £45,360 (2023: £43,530) as a cash payment. He is liable for his own tax and national insurance contributions on this payment.
- Mr D Samper has elected to take his pension contribution amounting to £29,948 (2023: £28,575) 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 £26,663 (2023: £25,125) as a cash payment. He is liable for his own tax and national insurance contributions on this payment.
- Mrs A Shepherd has elected to take her pension contribution amounting to £12,525 (2023: nil) as a cash payment. She is liable for her own tax and national insurance contributions on this payment.
- Following David Samper's resignation, under scheme rules, he is not entitled to any deferred bonus payments due in future years. He therefore will not receive the deferred amount of £49k relating to his 2023 bonus that had been expected for payment in future years (2025: £24k and 2026: £25k).
- Mr M Thompson received £19,613 (2023: £18,900) in relation to chairing the Newcastle Building Society Pension and Assurance Scheme Board which is included in the figures presented in the table.
- No Directors received termination payments in 2024 (2023: None).

Summary Financial Statement

For the year ended 31 December 2024

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 19 March 2025. This information is also available online at: www.newcastle.co.uk/agm2025

Summary Directors' Report

The requirements of the Summary Directors' Report for the year ended 31 December 2024 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 28 February 2025

James Ramsbotham, Chair

Mick Thompson, Chair of the Audit Committee

Andrew Haigh, Chief Executive

Group Results for the year

	2024 £m	2023 £m
Net interest income	91.9	86.4
Other income and charges	55.9	51.6
Fair value gains less losses on financial instruments and hedge accounting	4.9	(0.4)
Income from dividends	0.2	0.3
Administrative expenses, depreciation and amortisation	(118.7)	(106.5)
Operating profit before impairments and provisions	34.2	31.4
Impairment reversals / (charges) on loans and advances to customers	2.5	(1.1)
Impairment of tangible and intangible assets	-	(0.3)
Provisions for liabilities and charges	(21.0)	(0.9)
Profit for the year before taxation	15.7	29.1
Taxation	0.8	(7.0)
Profit after taxation for the financial year	16.5	22.1

Summary Financial Statement | Continued

Group financial position at the end of the year

Assets	2024	2023
	£m	£m
Liquid assets	1,155.6	1,250.3
Mortgages	5,289.3	4,859.7
Fair value adjustments for hedged risk	(21.9)	(13.2)
Derivative financial instruments	56.6	50.9
Fixed and other assets	76.6	75.5
Total assets	6,556.2	6,223.2

Liabilities

Shares	5,432.7	5,014.3
Borrowings	658.6	801.0
Derivative financial instruments	29.4	61.7
Other liabilities	35.4	25.4
Subordinated liabilities	20.2	-
Subscribed capital	34.8	34.8
Total liabilities	6,211.1	5,937.2
Reserves	345.1	286.0
Total liabilities and equity	6,556.2	6,223.2

Summary of key financial ratios

	2024	2023
	%	%
Gross capital as a percentage of shares and borrowings	6.57	5.52
Liquid assets as a percentage of shares and borrowings	18.97	21.50
Profit for the year as a percentage of mean total assets	0.26	0.38
Management expenses for the year as a percentage of mean total assets	1.86	1.85

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 2024 which comprises the Group's results for the year, the Group's 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 2024 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
28 February 2025

Our Locations

Alnwick - 28 Bondgate Within, NE66 1TD	(01665) 603 344
Ashington - 10 Station Road, NE63 9UJ	(01670) 815 919
Barnard Castle - 25 Market Place, DL12 8NE	(01833) 600 100
Berwick Upon Tweed - 12 Hide Hill, TD15 1AB	(01289) 306 417
Bishop Auckland - 15 Newgate Street, DL14 7HG	(01388) 433 001
Carlisle - 65 English Street, CA3 8JU	(01228) 524 518
Chester-Le-Street - 42 Front Street, DH3 3BG	(0191) 388 5266
Consett - 19/21 Middle Street, DH8 5QP	(01207) 502 636
Cramlington - 34/35 Craster Court, NE23 6UT	(01670) 735 813
Darlington - 7/8 Horsemarket, DL1 5PW	(01325) 383 656
Durham - 73/75 Saddler Street, DH1 3NP	(0191) 384 3182
Gateshead - 12 Ellison Walk, Trinity Square, NE8 1BF	(0191) 477 2547
Gosforth - 105/107 High Street, NE3 1HA	(0191) 285 5965
Hartlepool - 133/135 York Road, TS26 9DR	(01429) 233 014
Hawes - Hawes Community Office, Market Place, DL8 3RA	(01969) 600 333
Hexham - 1-2 Beaumont Street, NE46 3LZ	(01434) 605 106
Knaresborough - 40 Market Place, HG5 8AG	(01423) 648 750
Middlesbrough - 38 Linthorpe Road, TS1 1RJ	(01642) 243 617
Morpeth - 14 Market Place, NE61 1HG	(01670) 514 702
Newcastle - 136 Northumberland Street, NE1 7DQ	(0191) 261 4940
North Shields - YMCA, North Tynside, Church Way, North Shields, NE29 OAB	(0191) 259 5286
Penrith - 12 Market Square, CA11 7BX	(01768) 862 888
Pickering - 16 Market Place, Pickering YO18 7AE	(01751) 202 030
Ponteland - 23 Broadway, Darras Hall, NE20 9PW	(01661) 821 828
South Shields - Unit 3-5 Denmark Centre, NE33 2LR	(0191) 454 0407
Stokesley - 36 High Street, TS9 5DQ	(01642) 711 742
Sunderland - 14 Waterloo Place, SR1 3HT	(0191) 565 0464
West Denton - 15 Denton Park Centre, NE5 2QZ	(0191) 267 5038
Whickham - 28 Front Street, NE16 4DT	(0191) 488 1766
Whitley Bay - 303 Whitley Road, NE26 2HU	(0191) 252 0642
Wooler - The Cheviot Centre, NE71 6BL	(01668) 260 360
Yarm - 41 The High Street, TS15 9BH	(01642) 785 985

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newcastle.co.uk



Manchester Building Society is a trading name of Newcastle Building Society.

Cover photo: Dave and family, colleague.