

# 2024 Members' Newsletter

Including our Summary Financial Statements  
and Notice of Annual General Meeting

**Nottingham**  
Building Society

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## Your Board of Directors

### Directors up for re-election



**Robin Ashton**  
Board Chair

Age: 66  
Appointed: 01.12.23

Robin joined the Board as a Non-Executive Director in December 2023 and became Chair in July 2024. He is also a Non-Executive Director and Audit & Risk Chair of Domestic & General Limited, Domestic & General Insurance plc and Deputy Chair of the supervisory board of Domestic & General Insurance Europe AG. Robin brings sector knowledge and extensive leadership experience to the table, having served as Chair of Leeds Building Society for seven years and as a Non-Executive Director and Senior Independent Director at Shawbrook Group plc and Shawbrook Bank Limited.

**"I am proud to have overseen a highly successful year for Nottingham Building Society – our financial performance has been strong in a challenging market, delivering value for our members. At the same time we have delivered positive change that will ensure the success of our Society for future generations."**



**Sue Hayes**  
Chief Executive Officer

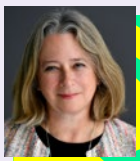
Age: 57  
Appointed: 1.03.22

Sue joined the Society in January 2022 and was appointed as Chief Executive Officer ('CEO') in March 2022. Sue has focused her career in Retail and Business Banking and has held senior positions at Lloyds, HBOS, NatWest, Santander and Barclays. Sue joined challenger bank Aldermore in 2018 and more recently was CEO at GB Bank, a new entrant challenger, which she took through to the first stage of banking licence and raised additional funding. Sue holds an Executive MBA from Cranfield Business School. Since becoming CEO, Sue has shaped a new strategy for the Society positioning it as a specialist residential lender and achieving strong financial performance while ensuring good outcomes for members.

**"In 2024 we've achieved a strong financial performance for our members, in a challenging market. I am also proud to have shaped and delivered a voluntary financial support scheme for our members impacted by Philips Trust. We have made good progress in building strong foundations to build the future success of our Society."**

**If re-elected my focus will be to continue this journey and ensure members benefit from the full fruition of this work as we continue to make a positive impact in the market in 2025."**

## Directors up for re-election (continued)

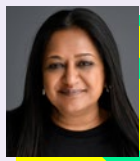


**Kerry Spooner**  
Senior Independent Director  
and Risk Committee Chair

Age: 64  
Appointed: 01.09.16

Kerry joined the Board in September 2016. Kerry had 10 years of financial services experience in the building society sector before joining the Board. She acted as a Non-Executive Director at two other building societies and has experience as Vice Chair, Senior Independent Director and Chair of Board Risk Committee ('BRC'). Prior to that Kerry worked as a solicitor for 20 years, the last nine years as a Corporate Finance Partner of the international law firm Allen & Overy LLP. Kerry is also independent Chair of the Remuneration Committee of The Bank of Nova Scotia, London Branch and Non-Executive Chair of the Remuneration Committee of ANZ Banking Group UK Branch.

**"Our Society is a strong and prudent mutual firmly rooted in putting its members at the forefront of everything it does. If re-elected, I look forward to continuing this focus and to contributing to the future success of our Society."**



**Kavita Patel**  
Non-Executive Director

Age: 48  
Appointed: 01.01.17

Kavita joined the Board at the beginning of 2017 and is the Board Consumer Duty Champion. She was previously a Partner and Head of Investment Funds at the law firm, Shakespeare Martineau. Kavita has a wealth of experience gained during her 25 years at Shakespeare Martineau advising clients in the financial services arena, both in the retail and institutional space, on corporate, regulatory and governance matters. Kavita is also a Non-Executive Director and Deputy Chair of Foresight Enterprise VCT plc.

**"It is a great privilege to serve as a director of the Nottingham Building Society. The Society has a rich history of supporting members with their financial needs and we have continued to do this throughout 2024. I am very proud to be involved with a business with this clear purpose and strong determination. If re-elected, I look forward to working with the team to continue with the focus of putting members at the forefront of everything we do."**



**Simon Baum**  
Chief Risk Officer

Age: 62  
Appointed: 18.06.18

Simon joined the Board as a Non-Executive Director in June 2018. Simon has spent over 35 years specialising in risk management within the financial services arena, holding several senior positions at Experian, Alliance & Leicester and Santander, both within the UK and overseas. His previous roles include Director of Mortgage Risk at Santander. Simon ceased to be a Non-Executive Director of the Society in May 2023, moving to become Chief Risk Officer ('CRO') and an Executive Director of the Society.

**"It is both a pleasure and a privilege to be a Director of Nottingham Building Society. In uncertain times, our Society has continued to maintain a strong focus on ensuring that it delivers its strategic objectives whilst protecting both members' interests and financial resources. If re-elected, I look forward to continuing this effort to ensure that the long-term sustainability of the Society is preserved."**



**Simon Linares**  
Remuneration Committee  
Chair

Age: 60  
Appointed: 01.12.19

Simon joined the Board in 2019. Simon is also an Executive Mentor, Coach, and Chairman of the charity Dreams Come True. He brings a wealth of commercial and people and development experience spanning a range of sectors, including fast moving consumer goods, telecommunications and financial services. His most recent position was Group HR Director at Direct Line, where he led the HR, communications, public affairs and corporate social responsibility strategies. Prior to Direct Line, Simon headed up human resources for O2, Telefonica's digital businesses and Diageo, covering different geographies and cultures, including Africa, Spain, and Portugal. Simon is a fellow of the Chartered Institute of Personnel Development ('CIPD') and was ranked amongst the top five most influential HR Practitioners in the UK.

**"I am proud to be able to represent the members of Nottingham Building Society. I am proud of our heritage and our passion to be relevant and do the right thing for our members and our communities. If re-elected, I look forward to working with the Board and Leadership team to continue and build on this great work for our members."**

## Directors up for re-election (continued)



**Peter O'Donnell**  
Audit Committee Chair

Age: 58  
Appointed: 01.01.21

Peter joined the Board in January 2021. Peter has over 30 years' experience in financial services and worked in a variety of senior finance roles at Prudential, RSA and Aviva. His last executive role was as Executive Vice President at Unum, a Fortune 500 company where he was also CEO of its UK business and Chairman of Unum Poland. Peter is a Non-Executive Director at Queen Victoria Hospital Foundation Trust and recently joined the Board of One Family, a mutual insurance company based in Brighton. Peter has a Bachelor of Commerce Degree from University College Dublin, is a fellow of CIMA and has significant experience of both international and UK financial services markets.

"I am delighted to continue to serve our members as a Board Director and Chair of Audit Committee ('BAC'). The business has a great history, purpose and value set. Despite the challenging environment of recent years, the Society has continued to look after its members and support its community. I am very proud to be involved with such a great business with a clear purpose and exciting strategy. If re-elected, I look forward to working with the team to build on our successes."



**Anthony Murphy**  
Chief Financial Officer

Age: 45  
Appointed: 23.06.23

Anthony joined the Society in March 2023 as Chief Financial Officer ('CFO'). Anthony was previously CFO of Tandem, a digital challenger bank, playing a pivotal role in their strategic transformation and journey towards profitability. His prior experience includes CFO positions in a listed regional bank in the United Arab Emirates and senior roles in finance and strategy at Lloyds Banking Group, notably supporting the sale of their Middle East business to HSBC. Anthony's extensive international and domestic experience in challenger and established banks continues to support Nottingham Building Society's ongoing transformation. Anthony is also a member of the Chartered Institute of Management Accountants ('CIMA') and is on the Board of Nottingham University.

"It is an honour to be part of a business with such an established history and clear purpose. Since my arrival in March 2023, I have been hugely impressed by the strategic vision and look forward to contributing to the Society's ongoing transformation, which is fully aligned to the mutual ethos of developing a sustainable business that meets the needs of our members and wider stakeholders both today and in the future."

## Directors up for election



**Chris Sparks**  
Non-Executive Director

Age: 62  
Appointed: 01.03.25

Chris Sparks was appointed to the Board as a Non-Executive Director with effect from 1st March 2025. Subject to regulatory approval, Chris will succeed Kerry Spooner as Chair of the BRC and Kerry will continue in her role as Senior Independent Director.

Chris spent nine years as Chief Risk Officer at challenger bank Atom as a member of the Executive Committee. Chris joined Atom in 2015 and led on ensuring risk management excellence, enabling the successful growth of the bank. Prior to Atom, Chris had a distinguished leadership career in the UK Retail Banking sector where he specialised in finance, data and risk management, including at HSBC, GE Capital, RBS and Virgin Money.

"I'm excited to be joining Nottingham Building Society at this key time as we build for the future of this much loved Society. If elected, I will work to ensure the Society's growth is underpinned by robust risk management and oversight, to ensure a strong and sustainable Society for our members in the future."

# Notice of Annual General Meeting

The Annual General Meeting ('AGM') of Nottingham Building Society will be held at Nottingham House, 3 Fulforth Street, Nottingham, NG1 3DL, on Monday 28<sup>th</sup> April 2025 at 11.00 a.m. for the following purposes:

1. To receive the Auditor's Report.

## Ordinary Resolutions

2. To receive the Directors' Report, Annual Reports and Accounts and Annual Business Statement for the year ended 31<sup>st</sup> December 2024.
3. To consider and, if thought fit, pass an ordinary resolution to re-appoint Ernst & Young LLP as auditors until the conclusion of the next AGM.
4. To consider and, if thought fit, approve the Directors' Remuneration Report.

## ELECTION OF DIRECTORS

5. To consider and if thought fit:
  - a) to re-elect Susan Elizabeth Hayes
  - b) to re-elect Anthony Francis Murphy
  - c) to re-elect Simon Graydon Baum
  - d) to re-elect Robin Ashton
  - e) to re-elect Kerry Madeline Spooner
  - f) to re-elect Peter O'Donnell
  - g) to re-elect Simon Linares
  - h) to re-elect Kavita Patel
  - i) to elect Christopher Sparks

as Directors of the Society.

## Notes

### 1. These notes form part of the notice of meeting

### 2. Re-election / election of Directors

The Board is committed to complying with best practice in corporate governance and all directors are submitted for election at the AGM in accordance with the UK Corporate Governance Code.

Non-Executive Directors can serve up to a maximum of three three-year terms. Any extension is subject to a rigorous review and be explained giving due consideration to the continuing independence and objectivity of the Non-Executive Director.

The Nominations Committee makes recommendations for the Board concerning the re-appointment of any Non-Executive Director at the conclusion of their specified term of office, having due regard to their performance and ability to continue to contribute to the Board in light of knowledge, skills and experience required.

### 3. Rules

Copies of the Society's Rules may be obtained from the principal office or the Society's website ([www.thenottingham.com](http://www.thenottingham.com)).

### 4. Proxies

You may vote either online or by post, or by completing and returning this form yourself at any of our branches. If you are unable to do so you may appoint a proxy to vote for you either by using this proxy voting form or by completing it online. You may appoint the Chair of the meeting or anyone else as your proxy. Your proxy does not have to be a member of the Society. Your proxy may vote for you at the meeting but only on a poll. A poll is a formal vote; for example, the election of directors will be by poll. Your proxy may speak at the meeting and may demand or join in demanding a poll. You may instruct your proxy how to vote at the meeting. Please read the instructions on the proxy voting form.

To be valid, proxy voting forms must be signed and returned (or submitted electronically) so as to reach Civica no later than 11 a.m. on 24<sup>th</sup> April 2025. This is the voting date.

## 5. Voting qualifications

You can vote if you:

- a. are at least 18 years old on 24<sup>th</sup> April 2025;
- b. (i) held shares to the value of not less than £100 in the Society on 31<sup>st</sup> December 2024 and have continued to hold shares at all times between 31<sup>st</sup> December 2024 and the voting date; or  
(ii) owed the Society not less than £100 in respect of a mortgage debt on 31<sup>st</sup> December 2024 and owe the Society not less than £100 in respect of a mortgage debt on the voting date; and
- c. are the only or the first named account holder in our records for the relevant share or mortgage account.

6. In addition, **you can vote only once** as a member, irrespective of the number of mortgage and savings accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee).

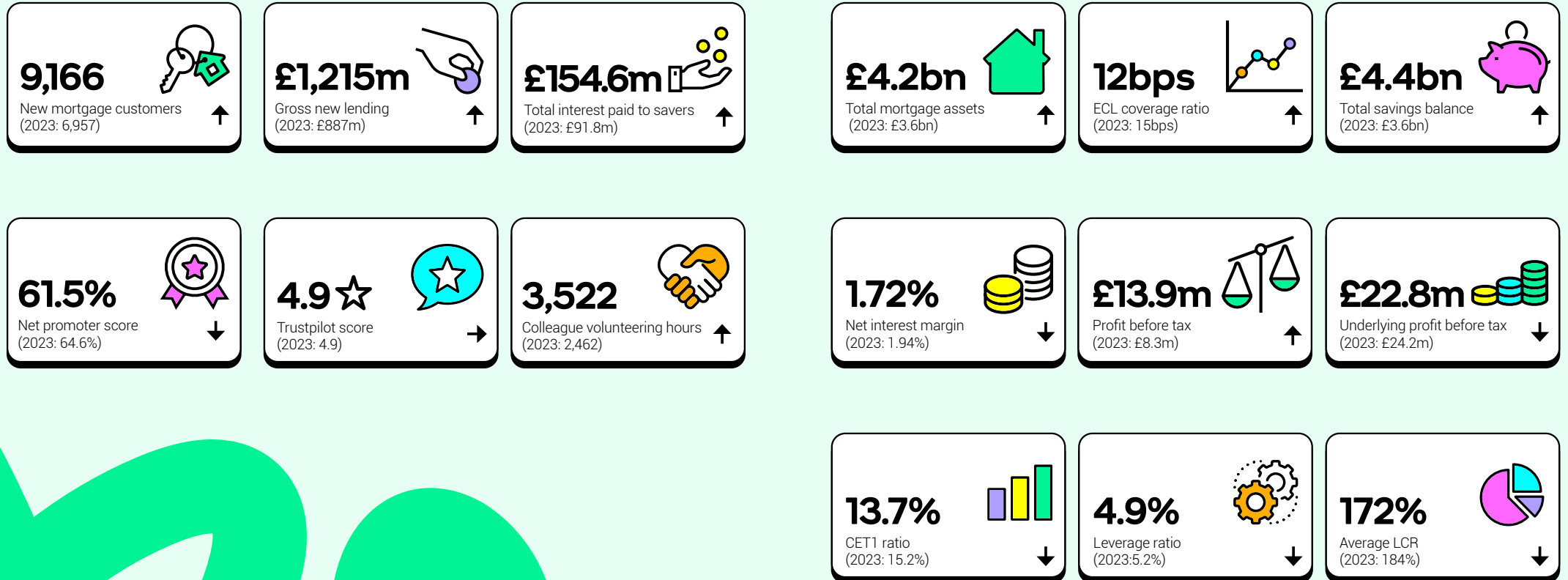
## 7. Hybrid Meeting

We have taken the decision to hold the AGM as a hybrid meeting, meaning that you can attend the AGM at Nottingham House, 3 Fulforth Street, Nottingham, NG1 3DL or you can watch the AGM live by using the log in codes contained in this Notice. If you have any questions which you would like to be answered at the AGM, you can ask them at the meeting, whether you are attending in person or virtually.

- a. It would be appreciated if you could let us know in advance if you are intending to attend the meeting in person or online.
- b. If you are attending in person and will require any assistance to enter and exit our office, please let us know so that we can make necessary arrangements to provide any assistance required.
- c. Please note that there is no car parking available on site.
- d. If you have any questions which you would like to be answered at the AGM, you can ask them at the meeting, whether you are attending in person or virtually, or you can submit them in advance.

**Robert Ewin**  
Senior Legal Counsel & Company Secretary  
5<sup>th</sup> March 2025

# Key Highlights



↑ Positive movement | ↓ Adverse movement | → Stable

# Summary Financial Statement

**We are pleased to present our Summary Financial Statement for the year ended 31<sup>st</sup> December 2024.**

This financial statement is a summary of information in the audited Annual Report and Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on our website [www.thenottingham.com](http://www.thenottingham.com) from 6<sup>th</sup> March 2025.

## Financial performance

Our 2024 annual results and the strategy delivery have been strong. We have achieved a profit before tax of £13.9m (2023: £8.3m) and an underlying profit before tax of £22.8m (2023: £24.2m). Total assets in the Society have now exceeded £5bn and our new mortgage lending margin has increased by 38 basis points year on year in an extremely competitive market.

The financial results we have delivered since we embarked on our new strategy have been supported by higher interest rates which is good news for savers but less so for borrowers. Despite this, we have remained competitive and focussed on serving those who find it 'more difficult to find mortgages'.

As part of our growth plans, we have continued our partnership with fintech mortgage provider Generation Home ('Gen H'). Gen H's member focus and innovation is strongly aligned with our own and we have lent to borrowers via our funding partnership since the end of 2022.

Our asset quality remains strong with arrears levels remaining low at 0.25% of loans three months or more in arrears and we have an average loan to value at the end of 2024 of 50.9%.

Our savings growth has been driven by our branch network and our digital savings platform, which we rebranded from 'Beehive Money' to 'Nottingham Building Society' in December. The number of members signed up to our app has increased significantly over the past two years; digital savings now total over £1bn with the app providing access to a range of savings propositions. Branches have also contributed strongly to growth, and in October we reached a key milestone of £3bn of branch savings balances.

Mortgage market conditions remain competitive, with affordability constraints and taxation changes impacting demand. The savings market has also intensified due to the maturities of Bank of England liquidity scheme funds, with the Society repaying the remaining TFSME balance of £180m in February 2025.

In February 2025, we completed our first public Residential Mortgage Backed Securities ('RMBS') which enhanced our funding diversification. Having grown strongly with good margins in recent years, we plan to moderate growth in 2025-26 to focus on capital strength and embedding our recent investments.

## Impact of Philips Trust Corporation

In keeping with our mutual ethos, we joined three other building societies to support those of our members affected by the actions of Philips Trust Corporation. This voluntary initiative impacted our profit before tax by £10.2m, but the Board firmly believes it was the right decision to help members who lost investments that they placed in trusts in good faith.

Further information is provided within Note 27 within the Annual Reports and Accounts.

## Updating our Brand

This year, we updated our brand from 'The Nottingham' to 'Nottingham Building Society' to better reflect our member-owned mutual ethos and modernise our brand identity. As part of this, our Beehive Money app was rebranded under the same name. Research showed that 'The Nottingham' had low national recognition, particularly with younger audiences, while Beehive Money also faced challenges in gaining traction with customers. By consolidating our brand, we aim to enhance our visibility and relevance in a competitive market.

Our new rebrand is more than just a new logo - it aligns with our strategy to offer a wider range of savings and mortgage products while positioning ourselves as a forward-thinking, adaptable building society. Over the next year, we will continue to roll out our new identity, ensuring it resonates with all our members and demonstrates the strength of our mutual heritage and commitment to meeting their evolving needs.



**Nottingham**  
Building Society

### Serving our members and colleagues

We continue to invest in our people, systems, and processes to support sustainable growth, including enhancing IT systems to combat cyber-crime and expanding our capabilities in finance and pricing. Member feedback is a key focus, reflected in our high Trustpilot and Net Promoter Scores. In 2025, we will hold our first in-person and online AGM since the pandemic and we look forward to welcome our new members.

As a mutual, supporting communities is integral to our values. Our volunteer efforts and charitable donations focus on homelessness, with 3,522 hours volunteered in 2024. We maintain strong partnerships with Shelter and Nottingham Homelessness Charity, Emmanuel House, providing both financial support and skills with £124,437 (0.9% of pre-tax profit) donated. In the workplace, we aim to be one of the best places to work by enhancing colleague engagement, offering development opportunities, and sponsoring leadership training. These initiatives contribute to a stronger, more motivated workforce.

### Our strategy

Our purpose as a Society, which sits at the heart of our strategy, is to be an outstanding specialist lender, fighting to enable people in a broad range of circumstance to own their own home. We focus on those who would have found it more difficult to access mortgage lending in the past due to old fashioned and rigid linear lending processes. Offering a range of attractive savings propositions to our members and customers enables us to deliver our purpose. Providing the right opportunities for savers is particularly important at a time when interest rates remain at their highest levels in over a decade.

#### Our strategic intent is to be:

- a future-focused successful building society with exceptional customer service for all our members and customers;
- a fantastic place to work where colleagues have the opportunity to develop themselves to be their best;
- a Society that is great for the communities it serves; and
- a Society that uses technology and data in purposeful ways (purposeful innovation) and extraordinary depth whilst not losing sight of its mighty foundations.

### Outlook

Our financial performance in 2024 has positioned us well to continue delivering on our strategy, investing in developing our people, enhancing our technology systems, and expanding our data capabilities. These investments are vital to ensure we remain competitive in a rapidly evolving market, but they will likely impact our financial performance in 2025.

While 2024 was a strong year, bolstered by higher interest rates, the economic outlook for the UK remains uncertain, and we expect increased competition in both pricing and product offerings. As we move into 2025, we will maintain a cautious approach to financial management, particularly as we assess the ongoing effects of base rate movements on our mortgage book. We will continue to innovate our product offerings and remain committed to providing attractive savings propositions to our members, ensuring we remain well-positioned for long-term, sustainable growth.



**Sue Hayes**  
Chief Executive Officer  
5<sup>th</sup> March 2025

## Summary Financial Statement (continued)

Approved by the Board on 5<sup>th</sup> March 2025 and signed on its behalf by:

**Robin Ashton**  
Chair

**Sue Hayes**  
Chief Executive  
Officer

**Anthony Murphy**  
Chief Financial  
Officer

		2024	2023
		£m	£m
<b>Group results for the year</b>			
Net interest income		83.6	80.3
Other income / (expense)		4.8	(11.3)
Administrative expenses, depreciation and amortisation		(64.3)	(59.0)
<b>Operating profit before impairment and loss on disposal of treasury assets</b>		<b>24.1</b>	<b>10.0</b>
Impairment credit - loans and advances to customers		-	0.1
Loss on disposal of treasury assets		-	(1.8)
Voluntary payment expense associated with Philips Trust Corporation		(11.2)	-
Recoveries against Philips Trust Corporation expense		1.0	-
<b>Profit for the year before taxation</b>		<b>13.9</b>	<b>8.3</b>
Taxation		(4.6)	-
<b>Profit for the year</b>		<b>9.3</b>	<b>8.3</b>
		2024	2023
		£m	£m
<b>Reconciliation of statutory profit to underlying profit</b>			
<b>Statutory profit before taxation</b>		<b>13.9</b>	<b>8.3</b>
Adjusted for:			
(Gains) / losses from derivative financial instruments		(3.9)	14.2
Net strategic investment costs		2.6	0.2
Voluntary payment expense associated with Philips Trust Corporation		11.2	-
Recoveries against Philips Trust Corporation expense		(1.0)	-
Other		-	(0.3)
Loss on disposal of treasury assets		-	1.8
<b>Underlying profit before taxation</b>		<b>22.8</b>	<b>24.2</b>
		2024	2023
		£m	£m
<b>Group financial position at end of year</b>			
<b>Assets</b>			
Liquid assets		917.0	801.3
Derivative financial instruments		80.9	105.2
Loans and advances to customers		4,201.8	3,543.9
Convertible loan note		1.1	-
Fixed and other assets		25.9	24.5
<b>Total Assets</b>		<b>5,226.7</b>	<b>4,474.9</b>
<b>Liabilities</b>			
Shares		4,350.5	3,565.9
Borrowings		557.2	583.1
Derivative financial instruments		22.9	43.9
Other liabilities		18.8	14.5
Subscribed capital		24.0	24.0
Reserves		253.3	243.5
<b>Total Liabilities &amp; Reserves</b>		<b>5,226.7</b>	<b>4,474.9</b>
		2024	2023
		%	%
<b>Summary of key financial ratios</b>			
Gross capital as a percentage of shares & borrowings <sup>2</sup>		5.65	6.45
Liquid assets as a percentage of shares & borrowings <sup>3</sup>		18.66	19.31
Profit for the year as a percentage of mean total assets <sup>4</sup>		0.19	0.20
Management expenses as a percentage of mean total assets <sup>5</sup>		1.33	1.42
Management expenses as a percentage of mean total assets (Society only) <sup>5</sup>		1.32	1.42

### Notes

- The Summary Financial Statement is prepared on a Group basis.
- The gross capital ratio measures the proportion which the Group's capital bears to the Group's shares and borrowings. The Group's gross capital consists of subscribed capital plus reserves.
- The liquid assets ratio measures the proportion which liquid assets held in the form of cash, short term deposits and investments bears to the Group's shares and borrowings. As liquid assets are by their nature readily realisable, this assists the Group in its cash management and enables the Group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.
- The ratio of profit for the year as a percentage of mean total assets measures the proportion which the profit after taxation for the year bears to the average balance of the total assets during the year. The ratio is similar to a company's return on assets. The Group needs to generate a reasonable level of profit each year in order to maintain its capital ratios at a suitable level to protect investors.
- The ratio of management expenses as a percentage of mean total assets measures the proportion which administrative expenses as reported in this document (which includes depreciation and amortisation) bear to the mean of total assets in accordance with the Accounts Regulations.

## Independent Auditor's Report

### Statement of the Auditor's to the Members and Depositors of the Nottingham Building Society

We have examined the Summary Financial Statement of Nottingham Building Society for the year ended 31<sup>st</sup> December 2024 which comprises the 'Results for the year', 'Financial position at end of year' and 'Key financial ratios', and the Directors' Remuneration disclosures.

### Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Summary Financial Statement, in accordance with the Building Societies Act 1986, which includes information extracted from the Annual Report and Accounts and the auditable part of the Directors' Remuneration Report of Nottingham Building Society for the year ended 31<sup>st</sup> December 2024.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Summary Financial Statement with the full Annual Financial Statements, the Directors' Remuneration Report and the Directors' Report, and its compliance with the relevant requirements of Section 76 of the Building Societies Act 1986 and the regulations made thereunder.

### Basis of our opinion

Our examination involved agreeing the balances disclosed in the Summary Financial Statement to the Annual Report and Accounts. Our Audit Report on the Society's Annual Report and Accounts

and the auditable part of the Directors' Remuneration Report describes the basis of our opinion on those Financial Statements and the auditable part of that report.

### Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Financial Statements, the Summary Directors' Report and the Directors' Remuneration Report of Nottingham Building Society for the year ended 31<sup>st</sup> December 2024 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made thereunder.

### Use of our report

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

**Ernst & Young LLP**  
Registered Auditors  
Manchester  
5<sup>th</sup> March 2025

# Summary Directors' Remuneration Report

## Statement by the Chair of the Remuneration Committee

On behalf of the Committee, I am pleased to present the annual Directors' Remuneration Report, which sets out the Remuneration Policy and details of the Directors' remuneration in the year ended 31<sup>st</sup> December 2024.

Nottingham Building Society is committed to best practice in its remuneration of directors. This report explains how the Society applies the relevant principles and requirements of the remuneration regulations and Codes. The report has two sections:

- the Remuneration Policy, which sets out the Society's Remuneration Policy for directors; and
- the Annual Remuneration Report, which outlines how the policy was implemented in 2024.

## Committee structure

In 2024, the Remuneration Committee ('RemCo') membership was made up as follows:

<b>Simon Linares</b>	Non-Executive Director and Chair of RemCo
<b>Kerry Spooner</b>	Senior Independent Director and Chair of the BRC
<b>Robin Ashton</b>	Non-Executive Director, Chair of the Board
<b>Kavita Patel</b>	Non-Executive Director and Chair of Conduct Sub-Committee within BRC

## 2024 performance and awards

The Chair's Statement, Chief Executive's Review and Strategic Report on pages 4 to 14 of the Annual Report describe 2024 as a period of strong performance amidst turbulent economic conditions. The strong results have been aided by the higher interest rate environment which positively impacted the Society's net interest income. Nottingham Building Society continues to be a top ten building society with total assets of £5.2 billion. The Society has revitalised its purpose placing a greater focus on mortgages whilst continuing to provide a safe and secure home for our members to save with us. We have ensured that our regulatory capital requirements continue to be maintained at appropriate levels, whilst continuing to invest in the Society, and supporting both our savings and mortgage members. We have also finalised the Society's reward strategy for the next three years, which focuses on the improvement of our colleagues' journey with us, and the enhancement of our Employee Value Proposition on physical, mental and financial well-being and 'moments that matter' in the lives of our colleagues.

Nottingham Building Society is pleased to confirm its Annual Bonus Plan for 2024. This bonus is determined by the Society's financial and strategic performance, as well as each employee's individual achievements. Additionally, in 2024, we introduced a one-off Medium-Term Incentive Plan ('MTIP') designed

to support the ambitious goals of our EOB strategy and to engage and retain the leaders in charge of delivering it. This MTIP spans a three-year performance period, with rigorous performance conditions and specific benchmarks. The Directors' variable compensation will be tied exclusively to these two plans.

It is in this context that the payments to Executive Directors have been determined and are detailed in this report. In 2024, the Committee reviewed and approved payment of the deferred element of the 2020 Bonus Plan.

## Remuneration Committee

The primary objective of the RemCo, under delegated authority from the Board, is to make recommendations to the Board on the general Remuneration Policy of Nottingham Building Society and specifically on the remuneration of Executive Directors. The Committee also has oversight of the remuneration of both the Leadership team and Remuneration Code staff, ensuring that remuneration is in line with the Society's business drivers, values and ambitions and adheres to the Remuneration Policy. In addition, the Committee is responsible for approving the variable pay and reward principles and compliance with the Remuneration Code and policy statement.

The Committee met three times in 2024 and is made up of a minimum of three Non-Executive Directors, as detailed within the table above. The CEO, Chief People Officer, Legal Counsel and Company Secretary attend the meetings by invitation.

Nottingham Building Society adheres to the requirements of the Remuneration Code applicable to a level 3 firm as defined by the Regulator. Non-Executive

Directors do not receive variable remuneration. Information on Nottingham Building Society's other Remuneration Code Staff is set out in the Pillar 3 disclosures published on our website [www.thenottingham.com](http://www.thenottingham.com), along with the Committee terms of reference.

## Committee activities

RemCo's activities in 2024 included:

<b>Remuneration Policy</b>	<ul style="list-style-type: none"><li>• Review of the Remuneration Policy for 2024 and recommending it to the Board for approval;</li><li>• reviewing and approving the Remuneration Policy Statement ensuring its compliance with the Remuneration Code; and</li><li>• reviewing regulatory updates and assessing the impact on Nottingham Building Society.</li></ul>
<b>Fixed Remuneration</b>	<ul style="list-style-type: none"><li>• Oversight of the activities undertaken by the ExCo in relation to reward;</li><li>• considering the annual pay review for all eligible employees; and</li><li>• agreeing the terms for any appointments and leavers for executive level and other Material Risk Taker ('MRT') roles.</li></ul>
<b>Variable Remuneration</b>	<ul style="list-style-type: none"><li>• Agreeing a new annual bonus plan for 2024; and</li><li>• agreeing a new medium-term incentive for a performance period from 2024 to 2026.</li></ul>

RemCo intends to review the construct of the Annual Bonus Plan in 2025.

## Remuneration Policy

Nottingham Building Society's Remuneration Policy reflects its objectives for good governance, appropriate risk management and acting in the long-term best interests of members.

The policy is there to ensure that:

- remuneration should be sufficient to attract, reward, retain and motivate high quality leaders and employees to run the Society successfully, delivering value for our members whilst avoiding paying more than is necessary for this purpose in line with our mutual ethos; and
- remuneration is structured to strike the right balance between fixed and variable pay. Variable pay schemes are designed to incentivise and reward appropriate behaviour and performance, aligned with Nottingham Building Society's position on risk; rewards are only attributed to the delivery of success and achievement of objectives.

Nottingham Building Society is classified as a level 3 firm and seeks to apply appropriate remuneration best practice for all Remuneration Code staff and other staff.

All pay is benchmarked using externally provided data and the approach to pay reviews is consistently applied to all colleagues across the Society, regardless of position.

## Recruitment policy for Executive Directors

Nottingham Building Society's approach to recruitment is to pay no more than is necessary to attract appropriate candidates to roles across the business, including Executive roles. Any new Executive Director's remuneration package will be consistent with our Remuneration Policy as outlined in this report. Any payments made to Executive Directors on joining the Society to compensate them for forfeited remuneration from their previous employer will be compliant with the provisions of the Remuneration Code and will be approved by the RemCo.

## Service contracts

All Executive Directors, in line with best practice, have service contracts outlining their duties and terms and conditions of employment.

## Payment for loss of office of Executive Directors

Any compensation in the event of early termination is subject to RemCo recommendation and Board approval. Pension contributions cease on termination under the rules of the pension scheme.

## Other Directorships

None of the Executive Directors currently hold any paid external directorships.

## Executive Directors' total remuneration

Executive Directors' emoluments comprise a basic salary, variable pay, pension entitlement and other taxable benefits as outlined on pages 24 to 26.

The total remuneration received by Executive Directors is detailed on page 24. The information has been audited and shows remuneration for the years ended 31<sup>st</sup> December 2023 and 31<sup>st</sup> December 2024 as required under the Building Societies (Accounts and Related Provisions) Regulations 1998.

The remuneration of Executive Directors is considered annually by the RemCo attended by Nottingham Building Society's CEO, who (except in respect of their own remuneration) makes recommendations regarding executive pay and agreed recommendations are referred to the Board.

The CEO is the Society's highest paid employee and no employee earns more than the CEO.

The salary of Executive Directors increased by 4.0% to 7.0% in 2024. This is in line with the wider Society, with the basic salary increase for colleagues ranging from 4.5% to 9.5% depending on grade, with minimum salaries implemented.

## Chief Executive Officer pay ratio

The CEO pay ratio is presented as follows to promote transparency and encourage good governance. The CEO is the highest paid person within the organisation, and

this is compared with the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentile employees to calculate the CEO pay ratio. This uses a single total figure of remuneration which includes total salary, variable pay, pension and taxable benefits.

The Society has chosen to publish the CEO pay ratio using the recommended and government preferred approach (Option A). Option A involves calculating the actual full time equivalent remuneration for all relevant employees for the financial year in question.

These values are then listed in order from lowest to highest and the values at the three percentile points identified as disclosed below.

Year	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
2024	21:1	15:1	8:1
2023	20:1	15:1	9:1

	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
2024			
Total remuneration	£25,486	£35,034	£64,630
Salary	£22,829	£31,130	£56,116
2023			
Total remuneration	£23,721	£31,919	£57,849
Salary	£21,204	£27,649	£48,429

Employee data includes full time equivalent total remuneration for Society employees as at 31<sup>st</sup> December.



### Non-Executive Directors

The Chair and other Non-Executive Directors each receive an annual fee reflective of the time commitment and responsibilities of the role. Fees for Non-Executive Directors are set by reference to benchmark information from a building society comparator group, agreed with the Board and take into consideration the principles underpinning the annual salary review.

The Non-Executive Directors' fees are reviewed by the Chair together with the Executive Directors before recommendations are referred to the Board. Remuneration of the Chair is considered by the RemCo, together with the Society's CEO, without the Chair being present.

Non-Executive Directors do not receive variable pay or pensions to encourage their independence.

Non-Executive Directors are reimbursed for reasonable expenses incurred during their work on the Society's business.

### Remuneration Code staff (Material risk takers)

The remuneration of all Remuneration Code staff is overseen directly by the RemCo. Fixed and variable pay decisions (including appointment packages) for Remuneration Code Staff (excluding the Head of Internal Audit where the decision is made by the Chair of the BAC and approved by the RemCo), are proposed by the Executive and all decisions are recommended to the RemCo for approval.

The Society's Remuneration Code staff are informed of their status through written communication. This communication includes the implications of their status including the potential for remuneration that does not comply with certain requirements of the Remuneration Code to be rendered void and recoverable by the Society.

Component	Purpose	Operation	Performance measures	Opportunity
<b>Basic salary</b>	Fixed remuneration set to attract and retain executives of appropriate calibre and experience. Basic salary is assessed by reference to roles carrying similar responsibilities in comparable organisations. A comparator group is used that consists of Executive Director positions within banks and building societies of a similar size and complexity.	Reviewed annually and linked to personal performance and market sector benchmarking, including Willis Towers Watson benchmark data.	Increases based on: <ul style="list-style-type: none"> <li>• overall employee pay increases in the Group;</li> <li>• benchmarking comparisons;</li> <li>• personal performance; and</li> <li>• role and experience.</li> </ul>	The base salaries of Executive Directors are reviewed as for any other employee in accordance with the reward matrix, except in circumstances where: <ul style="list-style-type: none"> <li>• market peer benchmarking indicates that remuneration is moving out of line of the appropriate peer group; and / or</li> <li>• there has been a material increase in scope or responsibility of the Executive Director's role.</li> </ul>
<b>Variable pay</b> Annual Bonus Plan	Linked to the delivery of the Society and personal objectives. Used to reward Executive Directors within the context of achieving the Society's goals and objectives.  Payments under the variable pay schemes are not pensionable.	The bonus will only be awarded if the threshold criteria and Society and individual performance targets are met and a payment is triggered in the Annual Bonus Plan.  50% of the bonus is deferred for three years and payment is subject to meeting Society and individual performance threshold criteria in each of the years from award to payment.  The Committee has the discretion to reduce or withhold the deferred element if it becomes apparent that the basis on which the variable pay award was made was wrong or that financial performance has deteriorated materially since the award.  The deferred payment, prior to the 2022 performance period, is subject to clawback for a period of three years after payment. For performance periods from 2022 onwards, the deferred payment is subject to clawback for a period of 7 years after payment.	The scheme is based upon three elements: <ul style="list-style-type: none"> <li>• <b>Financial adequacy</b> - achievement of a minimum level of adjusted Profit Before Tax before any bonus is payable.</li> <li>• <b>The Annual Bonus Plan</b> measures Society performance against four strategic pillars: <ul style="list-style-type: none"> <li>• growing &amp; rewarding membership;</li> <li>• responsible society;</li> <li>• strategic reinvention; and</li> <li>• safe &amp; secure.</li> </ul> </li> <li>• <b>Individual performance</b> including achievement of strategic objectives.</li> </ul> Personal performance objectives, appropriate to the responsibilities of the Executive Director, including the achievement of appropriate strategic progress are set at the start of each year. Objectives are set within Board risk appetite and regulatory requirements.	The maximum award possible is 50% of basic salary, payable with 50% of the award deferred for three years.

## Summary Directors' Remuneration Report (cont.)

Component	Purpose	Operation	Performance measures	Opportunity
<b>Variable pay</b> Medium-term Incentive Plan (MTIP)	One-off incentive used to reward, engage and retain Executive Directors on the desired improvement in our relative position against competitors as a result of the delivery of the Society's EOB strategy.  Payments under the variable pay schemes are not pensionable.	The incentive will only be awarded if the threshold criteria and Society performance targets are met once the performance period of three years (2024 to 2026) has concluded.  100% of the incentive payment is deferred for nine months until September 2027, and payment is subject to meeting Society and individual performance threshold criteria from award to payment.  The Committee has the discretion to reduce or withhold the payment if it becomes apparent that the basis on which the variable pay award was made was wrong or that financial performance has deteriorated materially since the award.  The payment is subject to clawback for a period of seven years after payment.	The scheme is based upon three elements:  <ul style="list-style-type: none"> <li>• <b>Financial adequacy</b> - achievement of a minimum level of adjusted underlying Profit Before Tax before any incentive is payable.</li> <li>• <b>The MTIP</b> measures Society's relative position against a peer group of Building Societies on three strategic indicators: <ul style="list-style-type: none"> <li>• net interest margins;</li> <li>• growth in total savings assets; and</li> <li>• growth in total mortgage assets.</li> </ul> </li> <li>• <b>Risk appetite</b> - Performance objectives were set at the start of performance period in 2024 within board risk appetite and regulatory requirements. Any payment is subject to achieving the same risk targets as the annual bonus plan for plan years 2024, 2025 and 2026.</li> </ul>	The maximum award possible is a cash lump sum of £500,000 for the CEO and 250,000 for the other Executive Directors, payable at the end of the performance period in December 2026, deferred until September 2027.
<b>Pension or pension allowance</b>	A part of fixed remuneration to attract and retain Executives of appropriate calibre and experience.	Executive Directors are invited to join the Society's defined contribution pension plan, or, as an alternative, be provided with an equivalent cash allowance.	Not applicable.	Pension contributions for new Executive Directors appointed post 1 <sup>st</sup> January 2020 will be aligned with the contribution matrix for all employees.
<b>Benefits</b>	A part of fixed remuneration to attract and retain executives of appropriate calibre and experience.	The benefits received by Executive Directors are private medical insurance and a car allowance.	Not applicable.	Set at a level considered appropriate for each Executive Director by the RemCo in line with market practice.

## Annual report on remuneration | Executive Director remuneration

Audited Society	2024 Sue Hayes £000	2024 Anthony Murphy £000	2024 Simon Baum £000	2024 Total £000	2023 Sue Hayes £000	2023 Anthony Murphy £000	2023 Simon Baum £000	2023 Paul Astruc £000	2023 Total £000
<b>Fixed remuneration</b>									
Salary <sup>1</sup>	391	297	253	941	375	146	173	67	761
Benefits	11	29	12	52	11	15	8	3	37
<b>Variable remuneration</b>									
Annual bonus <sup>2</sup>	52	41	35	128	62	46	29	10	147
	<b>454</b>	<b>367</b>	<b>300</b>	<b>1,121</b>	<b>448</b>	<b>207</b>	<b>210</b>	<b>80</b>	<b>945</b>
Pension contribution	-	15	-	15	-	7	-	-	7
Payments in lieu of pension	31	-	26	57	30	-	19	5	54
	<b>485</b>	<b>382</b>	<b>326</b>	<b>1,193</b>	<b>478</b>	<b>214</b>	<b>229</b>	<b>85</b>	<b>1,006</b>

The Directors can sacrifice elements of their salary and variable pay. All figures disclosed in the table above are presented pre-sacrifice.

<sup>1</sup> Paul Astruc ceased to be an Executive Director on 6<sup>th</sup> April 2023, Anthony Murphy became an Executive Director with effect from 23<sup>rd</sup> June 2023 and Simon Baum became an Executive Director with effect from 1<sup>st</sup> May 2023 (earnings included above are for the period as an Executive Director).

<sup>2</sup> The annual bonus figure reflects the amounts awarded in the year, which are not subject to deferral, and any deferred amount from previous financial years, paid in year. The remaining element, which is subject to deferral and the achievement of threshold criteria, will be disclosed in the year of payment.

## Summary Directors' Remuneration Report (cont.)

The unpaid deferred elements of the annual bonus scheme are as follows:

Executive Directors	Due 2025 <sup>1</sup>	Due 2026 <sup>1</sup>	Due 2027 <sup>1</sup>	Due 2028 <sup>1</sup>	Total Deferred
Performance Year	2021	2022	2023	2024	
	£000	£000	£000	£000	£000
Paul Astruc	27	40	10	-	77
Simon Baum	-	-	29	35	64
Sue Hayes	-	58	62	52	172
David Marlow	54	15	-	-	69
Anthony Murphy	-	-	46	41	87
	81	113	147	128	469

Non-Executive Directors	2024 £000	2023 £000
Paul Astruc (retired from the Board effective 6 <sup>th</sup> April 2024)	15	40
Robin Ashton (Chair)	92	5
Simon Linares	70	69
Simon Baum (transferred to Executive Director on 30 <sup>th</sup> April 2023)	-	23
Andrew Neden (retired from the Board effective 1 <sup>st</sup> July 2024)	87	113
Peter O'Donnell	70	69
Kavita Patel	60	59
Kerry Spooner	95	88
<b>Total emoluments for services as directors</b>	<b>489</b>	<b>466</b>

### Simon Linares

Chair of the Remuneration  
Committee  
5<sup>th</sup> March 2025



A large, stylized yellow figure, resembling a person with arms raised in a 'V' shape, is centered on a solid blue background. The figure has a simple, rounded head and a teardrop-shaped neck opening.

**Nottingham**  
Building Society