

2025 Highlights

including our Summary Financial Statement

What we've achieved together



Chair's Review of the Year

Welcome

It is my pleasure to write to you once again as Chair of your Society, and to introduce Principality Building Society's Summary Financial Statement.

Thank you for your continued trust and support. Everything we do is guided by the belief that a modern mutual should deliver value with purpose, support our communities with integrity and act boldly.

This past year we have weathered economic headwinds which have continued to bring challenges to our communities across the country – the Bank of England base rate has fallen but remains elevated, with inflation still persistent – making it challenging for those looking to take the first steps onto the property ladder. While on the surface the higher base rate means good news for savers, the hit to income caused by inflation means it was a harder year to save for life's uncertainties.

Your Society recognises these challenges, and our purpose remains steadfast: to build a society of savers, where everyone has a place to call home.

Turning the page to the next chapter

As Members will know, after 18 years with the Society and five years as CEO, Julie-Ann Haines announced that she would be stepping down from the role and taking up a new position in the summer of 2026. Julie-Ann has achieved much for your Society over those many years, and I know she will be equally successful with what comes next for her. I would like to extend my sincere thanks to Julie-Ann for her dedication and stewardship which have been invaluable to Principality and our Members.

The world around us does not stand still, and so neither must we.

The Society was delighted to announce the appointment of Iain Mansfield as our Chief Executive Officer in October, ahead of his commencement of the role in November. His experience, energy and commitment to the Society is exactly what the business needs to take us through the next chapter of our history.

He has committed a huge amount of his professional career to Wales, and the past 11 of those years to our Society, in leadership roles including Chief Operating Officer, Chief Finance Officer and serving on the Board since 2019. We are thrilled with his appointment and to have home-grown Welsh talent leading the business.

This handover marks a natural moment of transition as we look ahead with clarity and purpose, evolving our business to enhance digital and online journeys, as well as retain our stand-out face to face services for you, our Members.

Evolution and change

Nationally, the role of mutuals continues to gain recognition through the value they provide to the Members and communities they serve. Research from the Building Societies Association indicates that, last year, building society Members received £4 billion more in additional value than they would have received from banks¹.

We were proud to support the Cash ISA movement last year, which saw a wide range of stakeholders including Building Societies, Credit Unions and other providers joining together to call on the UK Government to save Cash ISAs and maintain limits for all Members. While the outcome was not the full protection of the subscription limit, we recognise that the Chancellor took time to consider changes to the regime.

With that, and as we celebrate 250 years of the building society sector, I'm proud of the fact we still champion the values that first inspired our movement. With the Building Societies Association recently electing a new Chair, alongside a new Chief Executive Officer,

and the UK Government’s commitment to double the size of the mutual sector, growth has a renewed momentum and focus.

Locally, the upcoming Senedd Election is anticipated to deliver significant change. Irrespective of the precise make-up and priorities of the next Welsh Government, we will continue to proudly emphasise the role that purpose-led organisations such as Principality can play in shaping long-term growth and success.

At Principality, we recognise that we must balance this tradition with innovation. We’ve strengthened our long-term focus and accelerated modernisation across the Society, for the benefit of our Members and for Wales. I’m pleased to report that this year we generated £88m² of value for you, our Members, reinvesting profits to deliver benefits for savers, borrowers and the communities we proudly serve.

Profit Powers Our Purpose

Our performance this year reflects the strength of our mutual model: profit in Principality is not an end in itself, but a means of powering purpose.

It enables us to invest in the services and compelling rates our Members rely on, to innovate our business responsibly, and to support people and places across Wales and the wider UK. While we continue to enhance our brand awareness beyond Wales, our commitment remains firmly rooted at home – ensuring the value we create is reinvested back into Welsh communities, where it can make the greatest difference.

Our profit enables us to deliver impact beyond our scale, with £1.5m committed to our Social Impact initiatives this year. At the heart of our purpose, there is a commitment to improving the lives of people in the communities we serve.

This year, we proudly celebrated the fifth round of our Future Generations Fund. Building on the success of previous years – during which we have contributed £2m to 128 charities and community groups across Wales – we continue to prioritise organisations and projects that provide invaluable training and support to underserved and vulnerable people.

To ensure we work to protect and enhance our profitability, our ambition to grow the Commercial business remains strong. Even while navigating a higher base-rate environment, we’ve stayed active and are very much open for business across all the sectors in which we operate.

Looking to the future, we remain solution-focused on matters of the housing market, with social housing being integral to our strategy.

Looking Ahead

Principality is entering a new chapter – one defined by being bold in our decision making and modernisation while retaining a firm focus on mutuality.

As we grow our presence across the UK, our Welsh roots remain at the heart of who we are. Our strategy for the decade ahead focuses on embracing change, delivering value for Members, and driving strong commercial performance to enable sustained investment for future generations.

Thank you for your continued trust. Together, we are building for a modern mutual that delivers for Members and communities we proudly serve.

Simon Moore
Chair



19 February 2026

¹ Source: Building societies annual reports 2024/25.

² Total value of benefit to Principality Building Society customers from November 2024 – October 2025, based on the Society’s average month end savings rate compared to the CACI Ltd’s Current Account and Savings Database rest of market average rate for savings accounts, excluding current accounts and offset savings, for the 12 months of the year.

Chief Executive's Review of the Year



A new chapter for Wales' largest society

I am delighted to be writing to you, our Members, as Chief Executive Officer (CEO) of Wales' largest building society for the first time. Having served this business for the last 11 years of my career, I'm immensely proud to be leading the best business in Wales.

It's the start of a genuinely transformational period, one where we will take the bold next steps to reimagine how we deliver for you today while securing our future for the next generation of Members.

I feel energised and excited by the opportunity and possibility your Society offers as we step into its next chapter. My strategic vision is to transform Principality into a mutual focused on commercial performance, pace and execution, with a strong digital offering that complements our unique branch presence.

Under my leadership, we are sharpening our commercial focus while staying true to our mutual roots – balancing delivering our purpose with the need to drive profit and enabling a decade of investment to support future generations of Members.

This means there's a lot your Society will do differently over time, to move us boldly into our next chapter – from building an app that makes it easier to manage your accounts with us online, to introducing new and exciting products that meet your savings and lending needs.

We'll do this while making the strategic investments we need to, keeping us relevant for the future and making better returns for Members, ultimately allowing us to invest more in what matters.

It's crucial that we have the right team in place with the best experience to take us forward – that's why I've been building the best possible team to lead the business. One of those key appointments being our Chief Technology Officer (CTO), Patrick Connolly, a new role for the business that will strengthen our digital offering.

2025 has been a year of progress for your Society. A year where we moved the organisation forward in meaningful ways, while delivering real value for our savers and our borrowers – helping people to save and to buy their own homes.

Our financial results

The pace of societal change is rapid, with advancements in technology reshaping financial services markets and customer expectations. At the same time, Members and businesses face a volatile external environment – with the Bank of England base rate remaining elevated, persistent inflation, and the emergence of start-ups and disruptor banks applying pressure on rates.

Despite this backdrop, your Society has delivered strong financial results with profit before tax of £60.0m (2024: £49.2m) as we stay focused on creating value for our Members.

At the same time, we have continued the work to streamline and simplify our business, and as a result our Management Expense Ratio (ManEx), the cost of running the business, has fallen to 0.84% (2024: 0.94%).

Across our savings and lending businesses, there is positive news to report.

We are diversifying our funding portfolio, which is why, in the second half of 2025, we were pleased to announce the establishment of our covered bond programme, strengthening your Society's financial resilience, funding stability and access to capital markets – providing us diversity of funding and optionality, in line with our competitors.

We've also grown our savings balances by £0.8bn to £11.6bn in 2025 (2024: £10.8bn), as we strive to retain Member value through our retail network while keeping a sharp focus on driving forward our digital savings channels.

As a responsible business, we have prioritised returns over growth, while also utilising excess liquidity, effectively converting cash into mortgages – which is why our total assets now sit at £13.9bn (2024: £14.1bn). Our prudent lending practices mean that in the face of competitive savings and lending markets, we have still seen a substantial and sustainable growth in our mortgage book of £0.6bn, taking our residential lending to £11.1bn in 2025 (2024: £10.5bn), and our cumulative growth over the last three years to £2.8bn.

This growth largely offsets the 1% reduction in the Bank of England base rate across the year to 3.75% at December 2025 (2024: 4.75%) which resulted in a drop in interest receivable – meaning that the Society's Net Interest Margin (NIM) has held steady at 1.21% (2024: 1.22%).

I'm pleased to share that we maintained a strong capital and liquidity position during the year, with a capital ratio of 18.7% (2024: 19.8%) and liquidity ratio of 13.6% (2024: 18.9%), providing a solid foundation for continued growth and investment in the Society, ensuring we are able to meet the needs of our Members now, and in the future.

Lending business – where home matters

Helping people own their own homes remains at the heart of who we are, and a key pillar of our strategy and driver of the growth of our mortgage book to 88,941 Members in 2025 (2024: 87,558).

In the face of affordability easing, buyer demand has remained resilient. With a strong demand for our 95% LTV products, combined with our inclusive lending criteria, we helped 8,277 people take their first step onto the property ladder (2024: 8,120).

We continue to invest year-on-year in enhancing the intermediary experience, making it easier for brokers to do business with us. This commitment is reflected in our recognition as Best Building Society for Customer Service 2024 at the What Mortgage Awards, an award we have received for the 8th consecutive year.

Principality Commercial

Our lending goes further, with our commercial division helping to create new homes in areas that need them, funding both social and private homes and boosting affordable housing provision. With aspirations to reach £1bn in 2026, the lending book for the commercial business grew by 9.3% since the start of 2025 to £867m (2024: £793m), with £70m lent to Housing Associations (2024: £51m).

Building on our success in Wales, I'm delighted that the commercial business took its first meaningful steps into the English housing association market, through a lending agreement with Rochdale Boroughwide Housing Limited. The £20m of funding provided by Principality will go towards maintaining and improving the housing association's existing stock of social and affordable homes in the east Greater Manchester area.

The commercial business remains a key strategic priority, as we continue to strengthen our work with Welsh Government and local authorities in Wales, to help more people buy their own home, revitalise town centres and provide funding to the majority of housing associations in Wales¹. While challenging market conditions and affordability pressure mean the total number of homes funded in 2025 is lower than last year (2025: 60; 2024: 247), the combination of strategic focus and the reduction in base rate in December has strengthened the forward pipeline significantly.

Savings business – helping more people to save

2025 has been another strong year for our savings business, with more people choosing to save with Principality, and doing so regularly, than ever before with 94,521 Members during 2025 (2024: 81,871).

Our savings growth matters, because as a mutual, our mortgages are funded by our Members' savings. Without our savers or you, our Members, we quite simply wouldn't be able to lend. Delivering fair value to you, our Members, is what sets us apart from traditional banks, who focus on returns for shareholders.

As the UK's 6th largest building society, it's important that we lend our voice to campaigns that shape the savings market, which is why we were proud to join forces with the Building Societies' Association and other mutuals and co-operatives to call on Government to protect Cash ISAs limit. Ultimately, the limit was reduced to £12,000 for under 65's, which is well above the rumoured cut originally planned. This means the voice of mutuals, and so the voice of our almost half a million Members, was heard at the highest level of Government.

It's the Member difference that sets us apart. I'm proud that Principality consistently provides competitive savings rates that reward your loyalty.



£88m value returned to Members through above market average savings rates²

Starting on the journey to save should be as straightforward as possible and is a priority for the business – whether online or in person at one of our 54 branch or 15 agency locations.

With this in mind, I'm pleased to report that work has started on delivery of the first phase of our new mobile app, following the launch of our new website in 2024.

Alongside our digital journeys, I was delighted to reinforce our commitment to our branch network until at least 2030³ as I started the

role of CEO in November. As traditional banks withdraw, Principality remains embedded in the communities we serve. That's why we relocated our historic Swansea city branch to a more central location this year, recognising the importance of choice to Members who live locally.

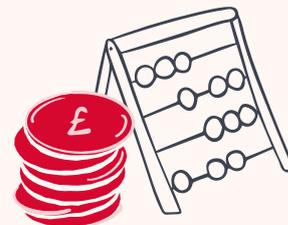
Whether through our recently launched website, eventually our new app, or in one of our branches, we are committed to delivering high quality products to market and offering choice to our customers, a strength widely recognised as we were named Best Building Society Savings Provider at the prestigious Moneyfacts Awards 2025.

Making a difference in the communities we serve

As the financial services provider with the largest branch footprint in Wales, we know our impact makes a real, meaningful difference. I was pleased to see the fifth round of our Future Generations Fund launched, which saw £500,000 distributed to projects in local communities.

2025 also saw the launch of our partnership with the children's charity Barnardo's Cymru. Through the generosity of colleagues and Members, over £237,000 has been raised, directly supporting vulnerable children in communities across the country. This contribution brings our total charitable fundraising to more than £2m since 2014 as we continue to invest in our communities.

At Principality, inclusion and diversity are not standalone initiatives; they are baked into our DNA. That's why, while our percentage of women in leadership is slightly down from 2024 (44% in 2025, 46% in 2024), we are still comfortably above our target of 40%.



Looking ahead

This is a pivotal moment in time for your Society, as we navigate a period of subdued economic growth, balancing the needs of savers and borrowers as we face into the Bank of England projected rate declines, while also recognising the need to invest and evolve the business for the longer term.

We must be bold in our decision making and innovate for the future, for generations to come.

This means reimagining how we deliver for Members now, as a trusted, digital, Society with excellent customer service that is easy to do business with, while also using our convening power in the sector to drive impact beyond our scale.

We are a mutual with the scale, ambition and a sharp commercial focus that will enable investment that continues to drive results and ensure we remain relevant for you, our Members today and tomorrow.

Thank you for your continued support of your Society.

Iain Mansfield
Chief Executive Officer



19 February 2026

2025 highlights



8,277
First time
buyers helped

2024: 8,120



70.8
Customer
experience score

2024: 71.7



18.7%
Strong
capital ratio

2024: 19.8%



78%
Employee
engagement

2024: 81%



£60 million
Statutory profit
before tax

2024: £49.2m



96.6%
Mortgages funded
by savers

2024: 95.7%



£70 million
Welsh Housing
Association funding

2024: £51m



36,183
Supported young
people via F.E.I.*

2024: 50,217



£1.5 million
Community
commitments

2024: £1.5m

¹ Principality Commercial provides funding to 18 of 33 housing associations in Wales.

² Total value of benefit to Principality Building Society customers from November 2024 – October 2025, based on the Society's average month end savings rate compared to the CACI Ltd's Current Account and Savings Database rest of market average rate for savings accounts, excluding current accounts and offset savings, for the 12 months of the year.

³ We will only close a branch when operationally we absolutely need to, for example a lease expiry enforced by a landlord, or if we have multiple branches in one location.

* Financial Education Initiatives

The above measures, apart from statutory profit before tax, are Alternative Performance Measures (APMs). Further information on these APMs can be found in the Annual Report and Accounts, with definitions included within the glossary.

Your Board of Directors



Iain Mansfield
Chief Executive
Officer

I am a Chartered Accountant with over 20 years' experience in senior leadership roles across mutuals, retail banking, start-up and private equity owned consumer financial services businesses in the UK.



Simon Moore
Chair of the
Board

I have over 30 years in the financial sector working for various banks, including Managing Director for Barclays Commercial Wales and the South West. I also serve as chair of another leading mutual organisation, LV=, the UK life assurance company.



Maria Timon Samra
Non-Executive
Director

I have gained a breadth of experience both locally and internationally in senior executive roles such as CEO of Tŷ Hafan, Managing Director in KPMG, Digital Transformation Director at Barclaycard, Management Consulting Partner at Arthur Andersen, Transformation Partner at Unisys and Director of Client Services at Professional Software Systems.



Jonathan Baum
Senior Independent
Director

I have 30 years of experience in domestic and international banking within globally renowned organisations including Lloyds Banking Group, Barclays Bank plc and GE Capital.



Karen Maguire
Non-Executive
Director

I am a qualified accountant (ACA) with a degree in Law. I trained and qualified with KPMG in South Wales, gaining experience across audit, risk management, internal audit and governance and across a broad industry range including financial services.



Garry Stran
Non-Executive
Director

I have over 35 years of executive experience across the financial services sector, with a focus on credit risk management and operational and cultural transformation. I have held senior and non-executive level positions at Nationwide, PCF Bank, WH Ireland and Computershare Loan Services. I am also a Non-Executive Director and Chair of the Risk Committee of the financial services subsidiaries of The Very Group.



Debra Williams
Non-Executive
Director

I have held a range of Executive and Non-Executive Director roles, as well as senior roles at NCR, Britannia Building Society, Tesco Compare and Confused.com.

**Get to know
the Board
better**

For the full bios of all our Board members, visit [principality.co.uk/
boardofdirectors](https://principality.co.uk/boardofdirectors)

Summary Financial Statement for the year ended 31 December 2025

This Summary Financial Statement is a summary of information in the audited Annual Accounts, the Directors' Report and the Annual Business Statement, all of which will be available to Members and depositors free of charge on demand at every office of Principality Building Society and on the website at principality.co.uk by 3 April 2026.

Summary Directors' Report

The Summary Directors' Report comprises the 2025 highlights, Chair's Review of the Year and the Chief Executive's Review of the Year.

Approved by the Board of Directors on 19 February 2026 and signed on its behalf by:

Simon Moore
Chair



Iain Mansfield
Chief Executive Officer



Consolidated income statement	2025 £m	2024 £m
Net interest income	169.7	162.0
Net fee and commission income	0.5	0.5
Other income and charges	1.7	1.7
Fair value (losses)/gains	(0.5)	8.9
Operating expenses	(117.3)	(124.6)
Fixed asset impairment	(0.3)	-
Impairment provisions	6.7	3.6
Other provisions	(0.5)	(2.9)
Profit for the year before taxation	60.0	49.2
Taxation	(14.8)	(12.6)
Profit for the year	45.2	36.6

Reconciliation of statutory profit to underlying profit	2025 £m	2024 £m
Statutory profit before tax	60.0	49.2
Adjusted for:		
Fair value losses/(gains)	0.5	(8.9)
Underlying profit	60.5	40.3

The purpose of the underlying profit measure is to reflect management's view of the group's underlying performance, presented to aid comparability across reporting periods by adjusting for items which affect statutory measures but are deemed to be either non-recurring or uncontrollable in nature. This aligns to measures used by management to monitor the performance of the business and inform decisions regarding variable remuneration.

Consolidated balance sheet	2025 £m	2024 £m
Assets:		
Liquid assets and balances with other credit institutions	1,772.6	2,505.5
Loans and advances to customers	12,000.6	11,284.5
Fixed and other assets	170.5	319.2
Total assets	13,943.7	14,109.2
Liabilities:		
Shares	11,583.8	10,798.8
Borrowings	1,463.1	2,447.9
Other liabilities	97.4	108.7
Retirement benefit obligations	-	0.1
Reserves	799.4	753.7
Total equity and liabilities	13,943.7	14,109.2

Independent Auditors' Statement to the Members and Depositors of Principality Building Society

We have examined the Summary Financial Statements of Principality Building Society for the year ended 31 December 2025 which comprises the Summary Consolidated Income Statement and Summary Consolidated Balance Sheet together with the Summary Directors' Report.

Respective responsibilities of Directors and auditors

The directors are responsible for preparing the Summary Financial Statement, 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 Business Review with the full financial statements, 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 Business Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

Basis of opinion

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

Opinion on Summary Financial Statement

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

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Section 76(5) of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, for our audit report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

Deloitte LLP
19 February 2026

Summary Directors' Remuneration Report

We are pleased to share a summary of the Directors' Remuneration Report for the year ended 31 December 2025, you can find the full report which will be available online at [principality.co.uk/about-us/your-principality/financial-reports](https://www.principality.co.uk/about-us/your-principality/financial-reports) from 3 April 2026.

Executive Directors' remuneration

During the year, the Committee undertook a review of the Executive Directors' Remuneration policy in the context of the Society's strategy and 2030 ambitions. Since the last policy review in 2021, we have reframed our strategy, focusing on three key pillars: Better homes, Secure futures and Fairer society. We've been successful in scaling the business and supporting more customers with our market share of mortgage new business growing from 0.27% at the start of 2021 to 0.94% and total savers growing by 12%. The size of our organisation has grown, with total assets increasing by 28% over the same period, making us the sixth largest building society in the UK.

Underpinning the new policy are the following reward principles:

1. The quantum and structure of remuneration packages should be considerate of our culture as a Member-owned Building Society, but take account of wider practice outside of the sector so as to ensure the Society can attract and retain senior talent.
2. Fixed remuneration and total target and total maximum remuneration should be set by reference to mid-market levels, with a greater focus on building societies relative to all peer groups and applying appropriate discounts to listed banking and financial services sector peers' data.
3. A significant proportion of remuneration for Executive Directors will be performance-related pay to ensure the remuneration package is competitive in relation to the sector. Performance-related pay will comprise both short and long-term elements.

4. A performance-culture should be reflected in the remuneration policy via a strong alignment between performance and reward and a meaningful weighting to financial metrics across incentives as a whole.

5. Incentive structures should be easily understood, transparent and avoid unnecessary complexity.

Our review of the policy against market benchmarks demonstrated that the current remuneration packages, both in terms of salary and total variable pay positioning, were significantly below market against all the reference points considered.

Furthermore, the Committee was mindful of the evolving market practice in the financial services sector in recent years, which would likely increase our gap to market if no action is taken in relation to pay. At such a pivotal time in the sector and for the Society, it is very important that the Society is able to retain, attract and appropriately incentivise our executive directors and senior leaders. Doing so is vital to ensuring the success of the Society and the delivery of real value for our Members.

Considering these factors and risks, the Committee is making two key changes to policy:

- **The REA and LEA schemes will be replaced with a single annual bonus plan.** The normal maximum opportunity will be 62.5% of salary for Executive Directors and performance will be based on a mix of financial and non-financial measures and an individual's personal performance excellence rating. The maximum bonus opportunity may only be realised if the individual were to achieve maximum performance under all elements of the bonus, together with also achieving the highest possible individual performance rating of "Outstanding". Conversely, a performance excellence rating of "Developing" can reduce any bonus earned under the targets to zero. No deferral will apply to payouts from the 2026 annual bonus.

- **A long-term incentive plan (the LTIP) will be introduced from 2026.** Annual LTIP cycles will be launched each year, with payouts being assessed over the following three-year period. The maximum that could be earned under the LTIP for 2026 is 65% of salary for the Chief Executive Officer and 50% of salary for other Executive Directors, subject to full achievement of all the performance targets.

The performance conditions for the incentives have also been reviewed in light of the Society’s strategy, and further details are set out in the “operation of policy” section below.

The new policy enables the Committee to provide market competitive packages to executive directors with a greater proportion of remuneration delivered through performance related pay. This means maximum remuneration will only be delivered for achievement of stretching performance targets that drive and increase Member value.

No other significant changes have been made to policy; however, minor amendments have been made to ensure alignment with best practice and to ensure that the Committee has appropriate flexibility in the operation of the policy from year to year. The new Directors’ Remuneration Policy is set out in full within the Annual Report & Accounts.

Single total figure of remuneration of Executive Directors

The below graph and table provide a summary of the audited single total figure of remuneration for the 2025 financial year for each of the Executive Directors and a comparison to the prior year. Benefits comprise of life assurance, critical illness insurance and private medical insurance.

Audited information Individual	Year	Base Salary £000	Taxable Benefits £000	Pension £000	Variable Pay £000	Total Remuneration £000
Iain Mansfield ¹	2025	382	5	31	64	482
	2024	338	3	26	112	479
Julie-Ann Haines ²	2025	432	6	39	31	508
	2024	469	5	38	157	669

¹ Iain Mansfield, former CFO, was appointed CEO during the year. Iain Mansfield’s salary increased to £500,000 on appointment as CEO designate on 13 October 2025 and he took over the role as CEO on 21 November 2025.

² Julie-Ann Haines, former CEO, stepped down from the role and the Board on 20 November 2025.

Non-Executive Directors' Remuneration

The following table provides the fee structure for our Non-Executive Directors, effective February 2025. Our fees contain a base fee element and an additional element for additional responsibilities such as the role of Senior Independent Director or chairing a Committee, to reflect the additional level of responsibility.

Non-Executive Director (NED) fees have been treated the same way as the wider workforce in terms of consideration of market competitiveness and the same level of increase applied to them. Following a review in 2025, this resulted in increases to NED fees of between 2.8% to 3.7%.

Role & Fee Structure	2025 Fee
Chair/Chair of Noms & Gov	£165,000
Committee Member	£60,000
Senior Independent Director	£10,280
Remuneration Committee Chair	£15,720
Risk Committee Chair	£15,720
Audit Committee Chair	£15,720

The following table provides the audited information showing a single total figure of remuneration for the 2025 financial year for each of the Non-Executive Directors and compares this figure to the prior year.

Audited information Non-Executive Directors	Fees	
	2025 £000	2024 £000
Simon Moore Chair of the Board of Directors	165	151
Claire Hafner Chair of the Audit Committee (until September 2025) and Non-Executive Director until 31 December 2025	90	73
Debra Williams Chair of the Remuneration Committee	90	73
Jonathan Baum Chair of the Board Risk Committee and Senior Independent Director	110	83
Shimi Shah Non-Executive Director	60	58
Karen Maguire Non-Executive Director and Chair of the Audit Committee (from September 2025)	65	19
Maria Timon Samra Non-Executive Director	60	9
Garry Stran Non-Executive Director	59	-
Total	699	466

Notice of AGM 2026

Ordinary Resolutions

1. To receive the Directors' Report, the Annual Business Statement, the Annual Accounts and the Auditors' Report for the financial year ended 31 December 2025.

You can find more information in our Annual Report and Accounts which you can find at principality.co.uk/AGMhub or visiting your local branch.

2. To approve the Directors' Remuneration Report for the year ended 31 December 2025, as set out in the Annual Report and Accounts.

The vote is advisory. The Directors' right to remuneration does not depend on this resolution being passed. A full version of the Directors' Remuneration Report appears in the Annual Report and Accounts and a summary is set out in the 2025 Highlights leaflet (including Summary Financial Statement).

3. To re-appoint Deloitte LLP as Auditors until the conclusion of the next AGM.

The Board is proposing the re-appointment of Deloitte LLP as the Society's Auditors, subject to Member approval at the AGM.

Principality Building Society will hold its AGM at 11am on Friday 17 April 2026 at Marriott Hotel, Mill Lane, Cardiff, CF10 1EZ and online for the following purposes:

4. Election and re-election of Directors:
 - a) To re-elect Jonathan Baum
 - b) To re-elect Karen Maguire
 - c) To re-elect Iain Mansfield
 - d) To re-elect Simon Moore
 - e) To re-elect Gary Stran
 - f) To re-elect Maria Timon Samra
 - g) To re-elect Debra Williams

You can find out more on who makes up your Board of Directors on page 8 or online at principality.co.uk/AGMhub

The Chair confirms that all of the current Directors looking to be elected or re-elected continue to be effective and are strongly committed to the role.

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

By Order of the Board.

Dana Christie

Society Secretary
19 February 2026

Joining the meeting

Our AGM gives Members the opportunity to have a say on how we're run. You don't need to attend the physical meeting to join in, you can participate fully (including being able to vote and ask questions) by joining online.

Please visit attend.cesjoinin.com/login,

Meeting ID 30422

You will need your two security codes to log in which you can find in the original voting communication you would have received by post or email.

We will also live stream our AGM in our Swansea, Hereford and Wrexham branches.

At these branches, you will be able to vote online using your own device. Full address details can be found on principality.co.uk/branch-finder. Online joining details can be found at principality.co.uk/AGMhub

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 one proxy to attend and vote on his or her 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. Your proxy may attend the Meeting (either at the physical

venue or online) and vote on your behalf. Your proxy may not speak on your behalf at the Meeting except to demand or to join in demanding a poll. You may appoint a proxy by post or online using the Society's secure independent voting site with further details to be found in the voting guide.

- 3) You may instruct your proxy how to vote at the Meeting. Please read the instructions on the proxy voting form.
- 4) The voting date is the date of the Meeting, Friday 17 April 2026, if voting in person, and 11am on Wednesday 15 April 2026 if voting by proxy.
- 5) In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a Shareholding Member or a Borrowing Member.

Shareholding Members

a. To qualify as a Shareholding Member, you must –

- i) if you are an individual, be at least 18 years old on 17 April 2026; and
- ii) have held shares* to the value of not less than £100 in the Society on 31 December 2025; and
- iii) not have ceased to hold a share* or shares* in the Society at any time between 31 December 2025 and the voting date.

b. Where the shares* are held jointly by two or more persons, only the first named in

the records of the Society in respect of those shares* can have any voting rights.

(* A reference to 'share' or 'shares' is a reference to a share account opened or a share issued by the Society in accordance with the Rules of the Society.)

Borrowing Members

a. To qualify as a Borrowing Member, you must –

- i) be at least 18 years old on 17 April 2026, and
- ii) have owed the Society not less than £100 in respect of a mortgage debt on 31 December 2025,
- iii) and owe the Society not less than £100 in respect of a mortgage debt on the voting date.

b. Where a mortgage debt is owed jointly by two or more persons, only the first named in the records of the Society in respect of that mortgage can have any voting rights.

6) In addition, **you can vote only once** as a Member, irrespective of –

a. The number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee), and

b. Whether you qualify to vote as both a Shareholding Member and a Borrowing Member.

