

2024 Highlights

including our **Summary Financial Statement**

What we've achieved together



Chair's Review of the Year



Welcome

It is my privilege to write to you for the first time as Chair of your Society, and to introduce Principality Building Society's Summary Financial Statement for 2024. I want to start by extending my thanks to you, our Members, for your trust and support. Everything we do as a Society is with you in mind, and making a difference in the communities we're proud to serve.

Supporting our Members and Communities

This past year has brought economic challenges, with rapidly rising costs impacting families across the country. We understand the challenges of saving for life's uncertainties, or accessing affordable and secure homes in the current environment.

In times like these, the role of mutuals becomes even more essential. As a mutual, we're owned by you, our Members, not shareholders. Our commitment to supporting our Members, particularly during difficult times, is at the heart of who we are. We're led by Member voices, respond to their needs and reinvest our profits for the benefit of our customers, colleagues, communities and wider society, ensuring we continue to be a responsible, sustainable and future-focused business – just as we have for the past 165 years.

It is heartening to see that the value mutuals bring has been recognised at a national level, with the new government in Westminster elected with the intention to double the size of the UK's co-operative and mutuals sector. In a bid to support diverse business models that bring innovation and new products

to the market, the newly elected government has signalled for regulatory reforms to ensure a level playing field for mutuals, while also aiming to address barriers to accessing finance.

At the same time, the FCA and PRA new secondary objectives to support the competitiveness and growth of the UK financial services sector came into force, reinforcing the need for regulators and policymakers to recognise the value of diverse business models.

The substantial growth of the mutual sector across the country, coupled with renewed government support, marks a unique turning point. We are proud to stand as part of this movement, delivering meaningful impact where it matters most.

That means running a purposeful business that delivers upon our strategy, while delivering strong financial results. I'm proud to share that we've done just that.

This year we've seen record growth in both our savings, and retail mortgage books, delivering real value for our Members.

We've also focused on initiatives that provide real help where it's needed most. Whether through affordable housing options, as one of the market leaders in passing on higher saving rates to our Members, with our average savings rate being well above market average (4.06% versus 3.33% on the high street)¹, or our continued presence on the high street, we are here to help Members navigate these uncertain times.

True to our purpose, we regularly seek Member views on important issues through our Member Pulse forum. In the past, more than 70% told us that having a branch presence is an important factor when choosing a financial provider. That's why we've continued to invest in our branch network, even as others withdraw.

Together, we're making a meaningful impact-delivering value today, while safeguarding the future of our Society.

Executive Committee and Board

As Chair, my focus remains on strengthening the leadership and expertise of our Board and Executive Committee to keep our Members' interests at the heart of our decision-making.

I am delighted to announce that we welcomed Karen Maguire to our Board in September, whose wealth of audit and risk management expertise has brought real value to the role, adding strength to our Audit Committee. We have also recently welcomed Garry Stran, a recognised leader with a proven track record of commercial success. He brings valuable strategic experience, particularly in technology and customer-focused change.

I am also pleased to welcome Maria Timon Samra, former Chief Executive of one of our charity partners, Tŷ Hafan, who brings invaluable experience from the charitable sector, which closely aligns with our purpose and community focus, and will play an important role as we continue to reinforce our commitment to serving communities for good. Her insights from her extensive transformation and change experience at executive level will be important as we transform our technology and digital capabilities to be fit for the future.

Everyone at Principality, from the Board, senior leaders and Principality colleagues remains committed to putting you, our Members, first.

Future Focus

I hold firm to the belief that Principality Building Society is one of the most exciting organisations in the UK today.

Born in Wales, we're proud of our heritage, and our ambitions, that stretch beyond our borders.

To achieve our goals for 2030, we aim to grow from a respected Welsh institution into a leading mutual, recognised and valued across the UK for the difference we make. It's about expanding our reach while staying true to our roots-serving Members as we've always done but on a larger scale.

A key part of this journey is investing in the future of our digital offering, starting with our recently refreshed website. While this marks an important step, our ambitions extend further, with plans to grow our digital savings portfolio, enhancing the ways Members engage with us.

We're building a future where tradition and innovation work hand-in-hand, with our online offering acting as an extension to our branch network, providing the same level of service to customers wherever they choose to interact with us.

Our purpose is clear: to be a modern mutual that exists for you, our Members. As we continue to grow, I am inspired by the trust you place in us and the dedication of our colleagues, who work tirelessly to ensure that Principality remains a Society that Members can rely on.

Thank you for your ongoing support. Together, we are building a brighter future – one that strengthens our communities, delivers real impact, and reaffirms our commitment to being here for good.

Simon Moore
Chair, Principality Building Society



18 February 2025

¹ CACI's CSDB, Stock, Weighted Average Interest Rate for November 2023 – October 2024.

Chief Executive's Review of the Year

Dear Members,

I'm pleased to share that 2024 has been another strong year for your Society, delivering robust financial results and impact beyond our scale in line with our ambitious strategy.

We have seen record growth in both savings and mortgages, helping more Members to save and more customers to own their own home and are on track to meet the 2030 ambition statements agreed by your Board in 2022. A number of investments this year, and in previous years, such as technology improvements, a multi-year Operational Excellence programme and our continued investment in our customer experience, underpin our 2024 successes, along with our continued commitment to our high street.

Better Homes

Access to affordable housing remains one of the most pressing challenges of our time.

Against a difficult economic backdrop, we are delivering on our ambition for better homes. We now support 87,558 (80,883 in 2023) people to have their own home, whilst helping over 8,120 first-time buyers take their first steps onto the property ladder (8,134 in 2023).

As a mutual, we can take a long-term approach to developing meaningful partnerships at a local and national level with stakeholders across governments, local authorities and partners to deliver large scale housing developments and solutions to develop affordable housing for people who aren't able to get onto the housing ladder.

As a result, our Commercial division now supports the majority of housing associations in Wales, funding meaningful, affordable housing in our communities.²

This year, we provided £25 million long-term financing to Cardiff-based housing association Hafod, supporting the construction of 300 affordable homes over the next five years.

Work has also completed on the final phase of The Mill development in Cardiff, which has spanned a decade of effort, and resulted in 800 homes being built, half of which are affordable – offering discounted, intermediate or social rents.

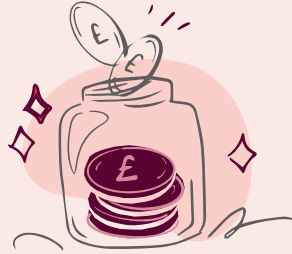
In addition, Principality's long-time partnership with Carmarthenshire and Pembrokeshire based not-for-profit housing association Bro Mryddin resulted in £6m of funding towards 30 new energy efficient, social and affordable homes, with the objective of building sustainable neighbourhoods in Wales.

We've also continued to invest in our operations to make it easier for Members and brokers to do business with us, which is why we've been named Best Building Society for Customer Service 2024 by What Mortgage Awards for the seventh consecutive time.



Secure Futures

It has never been more important to save for life's uncertainties and our role is to get more people saving more regularly and ensure everyone has the tools and support they need to develop positive saving habits - creating a society of resilient savers.



2024 has been another record year for savings. We have seen more accounts opened than ever before, with our savings balances increasing by £1.7 billion, from £9.1 billion to £10.8 billion.³

This significant growth in savings supports our mortgage ambition, which is funded by savers' deposits.⁴

As a mutual building society, we know that offering fair value is important to our Members. We are consistent in providing higher saving rates to our Members (4.06% versus 3.33% on the high street).⁵

We have encouraged our savers in Wales to compare their current savings rates with other available rates on the market, after our analysis of market data found that £14.5 billion of savings held in Wales was sitting in accounts earning 1% or less. We've also launched new products to help people to save more regularly.

In addition to our branch network, we're championing access to cash on the high street through our partnership with OneBanx, a terminal in some of our branches that allows customers from other banks and building societies to deposit and withdraw cash from their personal or business current accounts.

Fairer Society

As a mutual, it's important that we share our success with our Members, colleagues and communities.

We are on a mission to ensure young people receive meaningful opportunities, helping them gain skills and experiences that prepare them for their futures. We are also passionate about tackling big issues at the local level, in your communities. That's why we contribute up to 3% of our profit before tax each year, to causes that benefit communities.

I'm delighted to share that we've supported the financial education of 50,000 children and young people and donated £245,000 to our charity partners Tŷ Hafan and Hope House Tŷ Gobaith children's hospices in 2024 through colleague and Member fundraising. This takes our total contribution across the partnership to £752,000.

We also launched the fourth round of our Future Generations Fund, which supports local communities in our heartland, with new funding in excess of £0.5 million.

Our dedication to diversity and inclusion has been recognised too, with Principality winning the Financial Services Company of the Year Award from the National Centre for Diversity. This achievement would not be possible without our excellent colleague networks, who play a crucial role in fostering an inclusive culture within the Society.



Events like the annual PRIDE Cymru march, where our colleagues celebrated with local businesses and community members, as the headline sponsor for the second year in a row, underscore this commitment.

Fit for the Future: Investing in your Society

Over the past year, we have taken significant and difficult steps to simplify our operating model, allowing us to better serve both our savings and mortgage customers, along with our commercial lending clients, while streamlining costs to create the capacity for purposeful growth.



As a modern mutual, we are led by our Members, who have told us that they value both our strong presence on the high street and the convenience of enhanced digital services.

That is why I am pleased to continue our commitment to a long-term presence on our high streets and communities that underpin Member experience. A clear demonstration of this commitment is the relocation of our Swansea branch, to a more central high street location that will help raise our visibility and access for local communities.

At the same time, we have launched our new website allowing us to continue to improve the experience across both digital and physical channels. We are creating a future where digital and personal service work together, ensuring that Members always have a choice in how they interact with us.

These strategic steps are integral to building a Society that is responsive to the changing needs of Members today and prepared for the future.

Some of these changes have unfortunately impacted colleagues, with a number of redundancies as we restructured our operations. I am grateful for the support and exceptional customer service that colleagues have continued to provide every day.

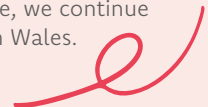
We also welcomed Simon Moore, our new Chair at the beginning of the year. With over 30 years' experience in the financial sector, Simon brings a wealth of insight and expertise to Principality. His deep understanding of the financial services and mutual landscape and strong connections to Wales' business community are already proving invaluable. I am pleased to be working alongside him, as his expertise will be instrumental as we continue to evolve and serve our Members.

Strong Financial Results

We have again delivered robust financial results, as we navigate a volatile external environment in the UK and across the globe.

We have seen significant growth in retail lending of £1.2bn, increasing our total residential lending from £9.3bn to £10.5bn supported by our responsible lending practices and conservative risk management approach.

Savings growth of £1.7bn has been equally significant, as we have sought to offer value to our Members through our branches, whilst delivering growth in our digital savings channels. Our Commercial lending business remained flat, with balances of £0.8bn through 2024 as we wait for demand to return in commercial investment and commercial development sectors. At the same time, we continue to broaden our support for housing associations in Wales.



Total assets are now over £14.1bn, up by £1.6bn from £12.5bn in 2023, evidencing that our strategy of creating sustainable and purposeful growth is delivering.

As signalled last year, we have seen an expected reduction in net interest margin (NIM) from 1.52% to 1.22% as the Bank of England base rate remained more stable than in the previous year.

Underlying profit before tax was £40.3m (2023: £60.3m), with the fall in profits driven by a reduction in NIM and one-off costs associated with our operating model changes. Reported profit before tax was £49.2m (2023: £60.3m) recognising fair value gains in the year.

Meanwhile, we maintained a strong liquidity and capital position to support continued growth and investment in the Society for the benefits of Members, with strong liquidity (LCR 2024: 234%, 2023: 203%) and capital with a CET1 of 19.8% (2023: 21.8%).

2024 has been another successful year, helping more people to save and to have a place to call home, whilst delivering robust financial results.

This ensures that we can continue in our journey of transforming the Society through investment, for the benefit of our Members, clients and colleagues.



Outlook

As we look to 2025 and beyond, the Society continues to be equipped to navigate the challenging economic and political landscape that we operate in.

A lower base rate horizon and lower inflation could suggest a more positive outlook for UK consumers and the economy, albeit there remains concern around the cost of living for the most vulnerable within our communities.

A new government installed in Westminster and a new cabinet in Wales may well bring opportunities in terms of new policies as they seek to address the challenges of the housing sector and create the conditions for growth in the wider economy. We will continue to work with stakeholders and government in these areas to ensure that our Members voices are heard.

I am confident the Society will continue to adapt and invest for the long term, with our purpose remaining at the heart of everything we do. Whether it's helping more people into homes or building financial resilience for life's uncertainties, we remain committed to support our Members, colleagues and communities for another 165 years.

Thank you for your continued support of your Society.

Julie-Ann Haines
Chief Executive Officer

A handwritten signature in black ink that reads "Julie-Ann Haines". The signature is written in a cursive, flowing style.

18 February 2025

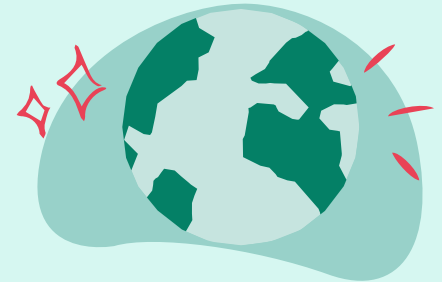
² Principality Commercial is currently working with 18 of Wales' 33 housing associations.

³ £1.7bn includes interest.

⁴ Percentage of mortgages funded by savers (2024: 95.7%, 2023: 89.8%)

⁵ On average, Principality has paid 4.06% for its savings rates compared to the market average of 3.33% between November 2023 and October 2024. (Source: CACI's CSDB, Stock, Weighted Average Interest Rate for November 2023 – October 2024).

2024 highlights



8,120
First time
buyers helped
2023: 8,134



71.7
Customer
experience score
2023: 67.4



19.8%
Strong
capital ratio
2023: 21.8%



81%
Employee
engagement
2023: 87%



£49.2 million
Statutory profit
before tax
2023: £60.3m



95.7%
Mortgages funded
by savers
2023: 89.8%



£51 million
Welsh Housing
Association funding
2023: £42m



50,217
Supported young
people via F.E.I.*
2023: 53,320



£1.5 million
Community
commitments
2023: £1.3m

* Financial Education Initiatives

Streamlined & Sustainable

We've refreshed the look of our Summary Financial Statement! By streamlining its size, we're making it easier for you to access the information that matters most and taking steps to help protect our planet. This is part of our broader commitment to sustainability. By reducing the amount of paper we use, we're taking steps toward minimising the impact we have on the environment. This aligns with updates we've made across our AGM materials, where we've introduced QR codes and encouraged online access to further reduce paper usage.

You'll still find the important information you need, including key highlights from 2024, detailed financial information and updates on our AGM.

Your Board of Directors



Simon Moore
Chair of the Board

I have over 30 years' experience in the financial sector working for various banks, including Managing Director for Barclays Commercial Wales and the Southwest. I serve as Chair of another leading mutual organisation, LV=, as well as serving on a number of other boards.



Julie-Ann Haines
Chief Executive Officer

I was appointed Chief Executive Officer in 2020. Before joining Principality, I was a senior manager in sales, marketing and technology for companies such as Sainsbury's and HBOS.



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.



Iain Mansfield
Chief Financial Officer

I was appointed Chief Financial Officer in 2022. My remit extends across Finance and Treasury, Commercial Lending, Strategy, Nemo, Procurement and Corporate Property. I'm a Director and Chair of Nemo Personal Finance Ltd and a Chartered Accountant with over 20 years' experience.



Maria Timon Samra
Non-Executive Director

I have gained a breadth of experience locally and internationally, in senior Executive roles for organisations such as Tŷ Hafan, Unisys, KPMG, Barclaycard, and Dwr Cymru. I have been 'hands on' delivering complex digitally enabled business transformation and cultural change programmes.



Karen Maguire
Non-Executive Director

I am a qualified accountant (ACA) with a degree in Law. I trained and qualified with KPMG, gaining experience across audit, risk management, internal audit and governance. Executive roles have included Head of Risk and Head of Investor Relations at Admiral Group.



Claire Hafner
Non-Executive Director

I am a qualified accountant (ACA), training and qualifying at Ernst & Young. During my career, I've performed a broad range of roles across multiple sectors including six years as a Non-Executive Director of the West Bromwich Building Society.



Shimi Shah
Non-Executive Director

I have been involved in building and running businesses, incubators, innovation policy, fund management, and venture capital for over 20 years across the US, Europe, and the Middle East. I've built and managed significant investments and portfolios and served with some of Europe's leading private equity firms.



Garry Stran
Non-Executive Director

I have over 25 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.



Debra Williams
Non-Executive Director

I have held a range of Executive and Non-Executive Director positions and worked in a consultancy role with companies in the UK, Europe and the US. I spent five years at the Britannia Building Society, as well as senior roles at 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

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 office of Principality Building Society and on the internet at principality.co.uk by 28 March 2025.

Summary Directors' Report


The Summary Directors' Report comprises the 2024 highlights, Chair's Review of the Year and the Chief Executive's Review of the Year.

Approved by the Board of Directors on 18 February 2025 and signed on its behalf by:

Simon Moore
Chair



Julie-Ann Haines
Chief Executive Officer



Iain Mansfield
Chief Financial Officer



Consolidated income statement	2024 £m	2023 £m
Net interest income	162.0	181.3
Net fee and commission income	0.5	0.8
Other income and charges	1.7	1.5
Fair value gain	8.9	-
Operating expenses	(124.6)	(116.2)
Fixed asset impairment	-	(3.4)
Impairment provision	3.6	(3.5)
Other provisions	(2.9)	(0.2)
Profit for the year before taxation	49.2	60.3
Taxation	(12.6)	(13.9)
Profit for the year	36.6	46.4

Reconciliation of statutory profit to underlying profit	2024 £m	2023 £m
Statutory profit before tax	49.2	60.3
Adjusted for:		
Gains from derivatives and hedge accounting	(8.9)	-
Underlying profit	40.3	60.3

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 uncontrollable in nature. This aligns to measures used by management to monitor the performance of the business.

Consolidated balance sheet	2024 £m	2023 £m
Assets:		
Liquid assets and balances with other credit institutions	2,505.5	2,021.8
Loans and advances to customers	11,284.5	10,115.6
Fixed and other assets	319.2	389.2
Total assets	14,109.2	12,526.6
Liabilities:		
Shares	10,798.8	9,084.6
Borrowings	2,447.9	2,575.1
Other liabilities	108.7	149.3
Retirement benefit obligations	0.1	0.6
Reserves	753.7	717.0
Total equity and liabilities	14,109.2	12,526.6

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 2024 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, this examination excluded the reconciliation of statutory profit to underlying profit table. 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 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
18 February 2025



Summary Directors' Remuneration Report

We are pleased to share a summary of the Directors' Remuneration Report for the year ended 31 December 2024, you can find the full report which will be available online at principality.co.uk/about-us/your-principality/financial-reports from 28 March 2025.

Executive Directors' remuneration

The table provides a summary of the single total figure of remuneration for Executive Directors for the 2024 financial year. See the single total figure of remuneration table and notes below for further information.

For February 2024, it was agreed that Executive Director base salaries would be assessed in line with an in-depth review of market competitiveness, following a strong performance year for the Society and several years of moderation on Executive Director pay.

When reviewing the 2024 pay increases for the Chief Executive Officer and Chief Financial Officer, it was determined that their salaries were

misaligned to that of peers in other similar sized building societies (our primary reference point). Given the moderation in Executive pay in recent years, their performance and experience levels, an increase of 19% was applied to the Chief Executive Officer's pay for 2024, increasing it to £475,000; and an increase of 8% was applied to the Chief Financial Officer, increasing it to £340,000. In line with changes to the wider workforce, the pension opportunity for the Executive Directors increased to 9% of salary from May 2024.

Variable pay outturns were lower in 2024 than 2023 resulting in a decrease in payout against the schemes.

Single total figure of remuneration of Executive Directors

Benefits comprise life assurance, critical illness insurance and private medical insurance.

Robert Michael Jones' 2023 taxable benefits also include legacy car allowance and pension contributions.

Audited information Individual	Year	Base Salary £000	Taxable Benefits £000	Pension £000	Total Fixed Remuneration £000	Variable Pay £000	Total Remuneration £000
Chief Executive Officer Julie-Ann Haines	2024	469	5	38	512	157	669
	2023	397	4	32	433	159	592
Chief Financial Officer Iain Mansfield	2024	338	3	26	367	112	479
	2023	314	3	25	342	115	457
Chief Risk Officer Robert Michael Jones*	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	155	6	23	184	N/A	184

* Robert Michael Jones resigned from the Society on 30 June 2023. The 2023 remuneration reported here represents his remuneration for the period he was employed in the year i.e 6-months. Robert Michael Jones' successor is not an Executive Director and therefore the current Chief Risk Officer's remuneration has not been included here.



Non-Executive Directors' Remuneration

Our fees contain a base fee element and an additional element for chairing a committee, to reflect the additional level of responsibility.

Non-Executive Director 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. Where appropriate, this has resulted in a 4% increase to fees. It was our view that the Senior Independent Director fee had fallen behind market and as such, an additional increase was applied to bring the annual fee from £6,300 to £10,000. This is reflective of the additional responsibilities the role holds, where appropriate.

It was agreed in 2024 that fees for chairing a committee would be aligned, given the view that time commitments across these roles are similar. The Audit Committee and Risk Committee Chair fees, which have historically been higher, have been increased by 4%, and the fees for other committee chairs matched to this.



Audited information Non-Executive Directors	Fees	
	2024 £000	2023 £000
Sally Jones-Evans Chair of the Board of Directors (until April 2024)	50	134
Simon Moore Non-Executive Director (from January 2024) and Chair of the Board of Directors (from April 2024)	151	-
Claire Hafner Chair of the Audit Committee (from January 2024)	73	68
Debra Williams Chair of the Remuneration Committee (from January 2024)	73	55
Jonathan Baum Chair of the Board Risk Committee and Senior Independent Director	83	75
Shimi Shah Non-Executive Director	58	37
Karen Maguire Non-Executive Director (from September 2024)	19	-
Maria Timon Samara Non-Executive Director (from November 2024)	9	-
Ian Greenstreet Chair of the Audit Committee (from April 2023 until December 2023)	-	71
Derek Howell Chair of the Audit Committee and Senior Independent Director (until March 2023)	-	19
Total	516	459

Notice of AGM 2025

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 2024.

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 2024, 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 2024 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 11 April 2025 at Marriott Hotel, Mill Lane, Cardiff, CF10 1EZ and online for the following purposes:

4. Election and re-election of Directors:
 - a) To elect Maria Timon Samra
 - b) To elect Garry Stran
 - c) To elect Karen Maguire
 - d) To re-elect Jonathan Baum
 - e) To re-elect Debra Williams
 - f) To re-elect Claire Hafner
 - g) To re-elect Julie-Ann Haines
 - h) To re-elect Iain Mansfield
 - i) To re-elect Simon Moore
 - j) To re-elect Shimi Shah



You can find out more on who makes up your Board of Directors in the 2024 Highlights leaflet (including Summary Financial Statement) (see page 9) 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.

Tony Smith

Chief Governance Officer

18 February 2025

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 30338.

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 Caerphilly, Cwmbran, Hereford, Llanelli, Llandudno 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 11 April 2025, if voting in person, and 11am on Wednesday 9 April 2025 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 11 April 2025; and
- ii) have held shares* to the value of not less than £100 in the Society on 31 December 2024; and
- iii) not have ceased to hold a share* or shares* in the Society at any time between 31 December 2024 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 11 April 2025, and
- ii) have owed the Society not less than £100 in respect of a mortgage debt on 31 December 2024,
- 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.



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CONTACT

If you would like to
get in touch call us
on **0330 333 4000***
or email us at
enquiries@principality.co.uk

This leaflet is available in large print, Braille and
audio tape on request by calling 0330 333 4000*

* To help us maintain our service and security standards, telephone calls may be monitored and recorded.

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