



**West Brom**  
Building Society

# Business review

For the year ended 31 March 2025  
(including Summary Financial Statement)

# Our highlights

## Record new mortgage lending

2024/25

**£1.3bn**

2023/24

**£1.1bn**

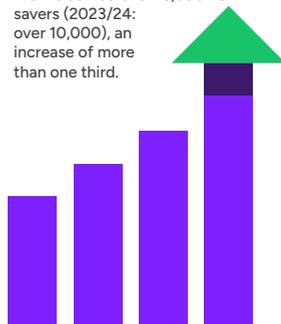


We achieved a record level of lending for homeownership, up 19% over last year, meaning we've helped more people buy their own home.

## £41.8m of benefits to savings customers

Our savers earned a total of £41.8m more interest than if they'd received the market average<sup>1</sup> savings rate (2023/24: £38.6m).

We welcomed over 13,500 new savers (2023/24: over 10,000), an increase of more than one third.



## Profit before tax

Profit before tax grew by 14% to £36.5m, supporting our financial strength with a Common Equity Tier 1 (CET 1) capital ratio of 17.1% (2023/24: 17.8%). On an underlying basis, profit was broadly flat at £36.5m (2023/24: £37.2m). This capital strength is important because it lets us support more people to buy their own homes and means we can continue to invest to deliver what customers need for the future.



2023/24

**£32.1m**

2024/25

**£36.5m**

## Award winning



We were recognised for giving outstanding support to first-time buyers with the First-Time Mortgage Buyers' Choice award for the second year in a row, and highly commended as ISA Provider of the Year at the Moneyfactscompare.co.uk awards 2025.



Helped more than

**6,200**

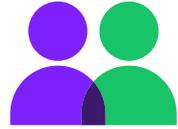
people buy their first home

We helped 6,267 first-time buyers buy their own home, that's 34% more than last year.



Supporting our community

We contributed nearly £50,000 (2023/24: £48,000) to support local charities and communities, with over 1,800 hours (2023/24: over 700 hours) volunteered on community projects.



An outstanding customer experience

We're committed to delivering outstanding customer experience. Our Net Promoter Score (NPS) increased to +76 (2023/24: +75), and we were awarded the Feefo Gold Trusted Service Award 2025.

Borrowers saved around

**£1,300** a year

Our market-first approach to Standard Variable Rate (SVR) means existing mortgage customers who have a higher amount of equity in their homes can have a reduced rate at the end of their mortgage deal. On average, therefore, an SVR mortgage customer at the West Brom would save around £1,300 a year compared with an average market SVR<sup>2</sup>.



Over **£5 billion** in savings balances

Our savers' balances grew to £5.1bn (2023/24: £4.7bn), a 9% uplift on last year.

A hat-trick of accreditations from the Living Wage Foundation

We became the first building society in the UK, and first employer in the West Midlands, to be awarded all three accreditations from the Living Wage Foundation, and were officially recognised for providing fair pay, secure hours, and a strong pension plan for our colleagues.



<sup>1</sup> Average market rates sourced from Bank of England Bankstats table A6.1 March 2025.

<sup>2</sup> Based on the average loan balance for a Society SVR borrower at 31 March 2025. Average market reversion rate of 7.68% sourced from Moneyfacts March 2025. Average Society rate based on SVR borrowers as at 31 March 2025.



# CEO's review

## Navigating the changing economic landscape

Most of the year has continued to benefit from a more moderate economic backdrop than in previous years, with inflation easing and interest rates falling. However, the fragility of the economy was highlighted by the impact of wider global issues that we've recently witnessed.

Throughout the West Brom's 176-year history, we've remained aware of our role in supporting customers in navigating such changing conditions. That's why we're proud to have continued to offer so many a route into buying their first home, whilst delivering great value to those who've entrusted their savings with us and funded those homeownership aspirations.

We've seen the government commit to a strong housing agenda, with the headline being a national target to build 1.5 million homes over the next five years, and an additional investment of £2bn into social and affordable housing. Whilst the detail of how this will be delivered

has yet to emerge fully, it's a welcome intent and will, if delivered, help alleviate some of the supply side of the housing challenge. Yet for many, affordability remains a barrier to buying a home, and it's here that our Purpose has most impact through supporting potential homeowners to overcome this hurdle.

## Honouring a 250-year legacy

This year also marks 250 years since the first building society was founded at the Golden Cross Inn in Birmingham, during the early years of the industrial revolution. It serves as a reminder not only of the strength of our heritage, but of the enduring value of mutuality. At West Brom Building Society we're continuing that legacy, our focus remains firmly on supporting customers, and we've seen that commitment reflected in our results.

## Delivering a strong performance

We achieved record lending of £1.3bn for homeownership this year, resulting in a 38% increase in net lending for homeownership to £757m, which was supported by a £401m increase in customers' savings balances. This has helped deliver a profit before tax of £36.5m, an increase of 14% from the previous year, providing the ongoing capital strength that supports the delivery of our Purpose and the underpinning investment that keeps us as relevant today as we have been through 176 years of change.

We helped 6,267 first-time buyers purchase their own home, that's 34% more than last year. Through our shared ownership proposition, we attracted 2,654 customers, who whilst not ready to buy their home outright, have bought a share of their home. This approach to buying a first home has become a welcome option for many, as shown by our lending via this route increasing by

29% year on year. We continue to provide a wider range of options for first-time buyers, such as the recently introduced low-deposit new build mortgage.

## Putting customers first

Our determination to offer this focus on homeownership and provide an excellent service to customers and our mortgage broker relationships hasn't gone unnoticed. We were delighted to receive a Moneyfacts award recognising our support for first-time buyers for a second year running. We also received a Gold Trusted Service Award from Feefo which, along with a customer rating of 4.7 out of 5, shows we set high standards for ourselves. We were also recognised by the Good Business Charter for dedication to customer commitment.

We continued to deliver great value for savers. With our savings rates on average, 0.86% above the market average<sup>1</sup>, customers received £41.8m more in interest than they would have on average rates elsewhere. That's a real and meaningful difference at a time when every pound matters. This year over 13,500 new savers joined our Society, a 34% increase on last year.

## Building on our financial strength

We delivered a strong performance this year, with profit before tax rising by 14% to £36.5m (2023/24: £32.1m), largely as a result of one-off charges last year that were not repeated this year. On an underlying basis, after excluding the one-off cost of Tier 2 debt buyback in the prior year, underlying profit was broadly flat at £36.5m (2023/24: £37.2m). This stability was the result of a lower charge for impairment on loans and advances which offset a slightly reduced total income and higher management expenses which reflected our initial investment in our digital transformation.

## Net interest income

Net interest income decreased in the year to £96.2m (2023/24: £103.6m), with a net interest margin of 1.56% (2023/24: 1.77%).

After a period of rising interest rates, Bank Rate stabilised this year before beginning to slowly reduce. As this happened, we held off reducing savings interest rates, meaning that a greater proportion of the interest earned on mortgages (interest income) has been paid to our savings customers (interest expense), pushing down our net interest margin.

## Management expenses

Management expenses are the costs related to the running of our Society. This year these costs have increased from £59.5m to £64.6m, because we've been strengthening our teams to support our digital strategy, coupled with the ongoing impact of higher inflation. The average number of people who worked for us during the year increased from 701 to 739. Investing in our future ensures we can continue to provide services to our customers how and when they want.

## Impairment on loans and advances

The vast majority of our charges for impairment continue to come from our legacy commercial lending book, with residential loan impairment remaining relatively neutral, releasing a small credit of £0.4m this year (2023/24: small charge of £0.5m). Whilst commercial loan impairment charges decreased in the year to £7.3m from £14.2m we're continuing to make the appropriate provisions against our exposure. Our total commercial provision balances now stand at £89.1m (2023/24: £92.1m), which represents 45% of the loan book (2023/24: 41%).

<sup>1</sup> Average market rates sourced from Bank of England Bankstats table A6.1 March 2025.

## Strengthening communities

We remain committed to our branches across the region and the crucial role they play in supporting our customers and their local communities.

We continued working in our communities to have a positive impact contributing nearly £50,000 through fundraising, grants and donations across 80 local charities and communities. With over 1,800 hours volunteered on various community projects, we also delivered financial education sessions to over 2,000 children and young adults. Our partnership with Birmingham based charity Jericho is helping support employment opportunities, and we look forward to continuing to work with them throughout this year.

To support our colleagues, we gained the Living Wage Foundation's triple accreditation, with the Living Pension accreditation being the third standard we added to our offering as an employer. This means colleagues benefit from the Real Living Wage, Living Pension and Living Hours standards, which made us the first building society in the country, and the first employer in the West Midlands, to gain all three standards.

## Moving forward

Looking ahead we'll face continued challenges, from competitive pressures in the mortgage market, to uncertainty around potentially damaging ISA reforms, and the wider economic environment which may be impacted

by the recent world trade situation. In addition, we also face cost challenges, not least the significant cost of the recent changes to employer's national insurance rates. While these may affect some aspects of our performance going forward, we remain determined to deliver on the needs of our customers.

Our strategy will remain focused on delivering on our Purpose, which is to support the financial wellbeing of our customers by providing a safe and good return on the savings they entrust with us, and promote homeownership.

I want to thank all our colleagues, in every part of the business, as well as our Member and Employee Councils, for their hard work and dedication and, especially our members for their continued support.

**Jonathan Westhoff**  
Chief Executive Officer  
28 May 2025

Throughout our 176-year history we've continued to be aware of our role in supporting our customers in navigating changing conditions.

# Summary Financial Statement

Year ended 31 March 2025

This Financial Statement is a summary of the 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 request at every office of West Bromwich Building Society.

## Summary Directors' Report

The information contained in the CEO's Review on pages 4 to 6 of this document addresses the requirements of the Summary Directors' Report.

Summary Financial Statement	2025	2024
<b>Group results for the year</b>	<b>£m</b>	<b>£m</b>
Net interest receivable	96.2	103.6
Other income and charges	4.9	5.7
Fair value gains/(losses)	4.4	(0.4)
Administrative expenses	(64.6)	(59.5)
<b>Operating profit before revaluation gains, impairment, provisions and cost on debt buyback</b>	<b>40.9</b>	<b>49.4</b>
Gains on investment properties	2.4	2.5
Impairment losses	(6.9)	(14.7)
Cost on debt buyback	-	(5.1)
Provisions for liabilities	0.1	-
<b>Profit before tax</b>	<b>36.5</b>	<b>32.1</b>
Taxation	(6.9)	(7.7)
<b>Profit for the year</b>	<b>29.6</b>	<b>24.4</b>

Summary Financial Statement	2025	2024
<b>Group financial position at end of year</b>	£m	£m
<b>Assets</b>		
Liquid assets	716.2	929.4
Mortgages	5,398.1	4,785.1
Derivative financial instruments	44.9	61.8
Fixed and other assets	202.6	213.4
<b>Total assets</b>	<b>6,361.8</b>	<b>5,989.7</b>
<b>Liabilities</b>		
Shares	5,071.6	4,670.6
Borrowings	778.0	825.2
Derivative financial instruments	16.8	12.8
Other liabilities	32.1	34.3
Subordinated liabilities	2.1	2.1
Core capital deferred shares	127.0	127.0
Subscribed capital	3.9	7.8
Reserves	327.1	306.7
Revaluation reserve	3.2	3.2
<b>Total liabilities</b>	<b>6,361.8</b>	<b>5,989.7</b>

Summary of key financial ratios	2025	2024
	%	%
<b>Gross capital</b>		
As a percentage of shares and borrowings	7.92	8.13
<b>Liquid assets</b>		
As a percentage of shares and borrowings	12.24	16.91
<b>Profit for the year</b>		
As a percentage of mean total assets	0.48	0.42
<b>Management expenses</b>		
As a percentage of mean total assets	1.05	1.02

'Gross capital' represents the aggregate of reserves, revaluation reserve, subscribed capital, subordinated liabilities and core capital deferred shares.

'Shares and borrowings' represent the total of shares and borrowings, in each case including accrued interest.

'Management expenses' represent administrative expenses.

This Summary Financial Statement was approved by the Board of Directors on 28 May 2025.

**John Maltby**  
Chair

**Jonathan Westhoff**  
Chief Executive Officer

**Alex Pawley**  
Chief Financial Officer

# Independent auditors' statement on the Summary Financial Statement to the members of West Bromwich Building Society

We have examined the Summary Financial Statement of West Bromwich Building Society (the 'Society') set out on pages 7 to 8, which comprises the Summary Directors' Report, Group Results for the year, Group Financial Position at year end, Summary of Key Financial Ratios.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary Financial Statement, in accordance with the Building Societies Act 1986.

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

We also read the other information contained in the Summary Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the CEO's Review and Remuneration Committee report.

This statement, including the opinion, has been prepared for and only for the Society's members as a body in accordance with Section 76 of the Building Societies Act 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Basis of opinion

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

## Opinion

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

## PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors  
Birmingham  
28 May 2025

**Braille, audio and large print versions of this document are available upon request. Please contact us on 0345 241 3784.**

Head Office: 2 Providence Place, West Bromwich B70 8AF  
[www.westbrom.co.uk](http://www.westbrom.co.uk)

Calls and electronic communications may be monitored and/or recorded for your security and may be used for training purposes. Your confidentiality will be maintained.

West Bromwich Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Register No: 104877. 'the West Brom' and 'West Brom Building Society' are trading names of West Bromwich Building Society.

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