

24 November 2021

Distribution Announcement

West Bromwich Building Society

Core Capital Deferred Shares (GB00BYWR8Q80)

The Society announced its interim results today, reporting a profit before tax of £14.6m, £11.7m higher than for the same period in the prior year. Following publication of the results the Board would like to provide updated guidance on its current expectation for the Interim CCDS distribution due February 2022 (the 'Interim Distribution'), and publish an updated Distribution Policy.

The Society increased the Final Distribution for the period to 31 March 2021 to £0.75p per CCDS, which was paid in August 2021, and indicated an update would be provided alongside the interim results. Profit levels have improved to around the levels envisaged at the time the liability management exercise was completed in April 2018, and the Society has maintained its capital strength with a CET 1 ratio of 16.3% as at 30 September 2021. Taking account of these and other relevant factors, the Board, whilst considering the interests of the Society's members as a whole, currently expects to increase the Interim Distribution to £1.50p per CCDS.

Looking ahead, the Board intends to align future Distributions with those originally anticipated when the Distribution Policy was set in April 2018, and has updated its Distribution Policy accordingly. The Board's objective remains to increase distributions over time up to a semi-annual £2.25p per CCDS. Under normal conditions, once distributions reach this level the Board then intends to adopt a stable distribution policy, subject to the Society's then-current and anticipated financial position being viewed as satisfactory and any other factors considered by the Board to be relevant.

Market Abuse Regulation

This announcement is released by West Bromwich Building Society (the Society) and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Society's CCDS as described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Ashraf Piranie, Group Finance & Operations Director of the Society.