



PROGRESSIVE  
BUILDING SOCIETY

# Summary Financial Statement 2024

## Our Purpose

We are passionate about helping local people to save and champion homeownership through our personal, caring and responsible approach.

## Our Values

- We value the energy, drive and enthusiasm of our people.
- We build and strengthen relationships through trust, mutual respect and courtesy.
- We always work with honesty, fairness and integrity.
- We are passionate about supporting our community and our economy.
- We care about the impact we have on the environment.

## Mutuality

Anyone who opens a savings account or becomes a mortgage holder with Progressive Building Society becomes a Member, which means that they can have a say in how the Society is run.





# Summary Financial Statement

For the year ended 31st December 2024

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This financial statement is a summary of information in the audited Annual Accounts, the Strategic Report, the Directors' Report and the Annual Business Statement. All of these will be available to Members and Depositors free of charge on demand either from the Society Secretary in writing or on the Society's website ([www.theprogressive.com](http://www.theprogressive.com)) from 27th March 2025.

Approved by the Board of Directors on 25th February 2025 and signed on its behalf by:

**Keith Jess**  
Chair

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# Summary Directors' Report

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The Directors have pleasure in presenting the Summary Financial Statement for the year ended 31st December 2024.

## Financial Review

### Key features of 2024:

- New lending in 2024 of £310 million.
- Gross loans and advances outstanding to customers at year end of £1,717 million.
- Total savings balances from individuals at year end of £1,672 million.
- A management expenses to average assets ratio of 0.99%, one of the best efficiency ratios in the building society sector.
- Pre-tax profit of £9.3 million and profit after taxation of £7.1 million.

Despite intense competition in the local mortgage and savings markets, along with political and economic uncertainty which has impacted households across Northern Ireland, the Society has delivered a strong set of results for 2024.

Total assets increased by £122 million during the year to £2,085 million (2023: £1,963 million) principally as a result of higher mortgage balances.

Profit before tax amounted to £9.3 million (2023: £15.6 million).

The Society's profit after tax was £7.1 million (2023: £11.8 million). Cost increases were experienced in the year, and we expect this to continue into 2025, alongside a reducing interest rate margin.

As a mutual organisation, Progressive has no external shareholders and therefore has no requirement to pay dividends. Instead, profit is added to reserves to increase financial strength and provide additional security to Members.

Net interest income of £31.4 million (2023: £35.9 million) remained robust whilst the Society's net interest margin reduced to 1.55% (2023: 1.86%). This was driven by movements in the Bank of England base rate which started the year at 5.25% and was decreased on two occasions by the Bank's Monetary Policy Committee in 2024, moving to 4.75%.

## **"The Society continues to advance its systems and processes to support future growth."**

The Society continues to maintain a low-cost base, but management expenses (administration costs and depreciation) rose to £20.1 million (2023: £17.8 million) due to inflationary pressures and ongoing investment in our technology, branches and service offerings throughout the year. This resulted in the management expenses ratio increasing to 0.99% (2023: 0.92%). This ratio remains amongst the lowest in the building society sector.

The Society continues to advance its systems and processes to support future growth, to develop its people, to further enhance the customer experience and to ensure regulatory compliance. This will inevitably lead to further rises in our cost base in the future.

The Society's new mortgage lending increased to £310 million in 2024 (2023: £280 million) despite the challenging economic conditions.

During the year we further restructured our lending processes to improve efficiencies and to enable scale as we continued to grow our mortgage book. We offered competitive rates for our core residential mortgage products, while maintaining flexibility as our dedicated underwriting team considered each case on its merits. This approach has served our borrowing

Members well for many years and will continue to ensure mortgage loans remain affordable for our borrowers as their incomes become squeezed.

Our total gross mortgage assets amounted to £1,717 million at the year end (2023: £1,599 million). The Board remains committed to the owner-occupied nature of its loan portfolio which is located in Northern Ireland, a residential property market which the Society knows well, enabling informed lending decisions to be made.

In light of the uncertain economic conditions, we have continued to adopt a conservative approach to mortgage provisioning. The provision for losses on all loans and advances to customers at 31st December 2024 was £5.8 million (2023: £5.8 million), which represented 0.34% (2023: 0.36%) of the total mortgage book.

Liquidity balances remain robust at £355 million. Liquid assets are important for a building society to ensure that it will be able to pay liabilities as they fall due. For the Society, the main liabilities are savers making withdrawals, repaying wholesale funding, and advancing mortgage loans to borrowers. Progressive continues to hold high quality liquid assets well in excess of regulatory requirements, primarily in a Bank of England Reserve

Account, which is instantly accessible, and in UK Government Securities (Gilts and Treasury Bills), which are readily convertible to cash.

The Society continues to be predominantly funded by retail shares which increased by £56 million to £1,738 million at year end (2023: £1,682 million). Savings balances from individuals accounted for 87.5% (2023: 86.4%) of our total funding. Savings rates offered by the Society were consistently at, or near, the top of local market rates throughout the year.

Wholesale money provides a secondary source of funding to the Society and includes funding from other financial institutions, corporates and local authorities. In addition, the Society availed of £50 million from the Bank of England's Term Funding Scheme in February 2018 as a further source of funding. In October 2021, this was rolled for a further four-year period into the Term Funding Scheme with additional incentives for SMEs. These schemes provide funding to banks and building societies at close to Bank of England base rate to encourage lending. The Society repaid £10 million of this funding during 2024.

Capital strength remains central to the Board's strategy. As a building society, Progressive's capital strength comes from its reserves, which are made up almost entirely from the accumulation of its profits since it was formed in 1914. These enable the Society to invest in systems, technology, and our premises for the benefit of our Members, to continue to offer competitive products and to

act as a safety net to absorb losses should they occur in the future. The Society's reserves increased in the year due to profit after tax of £71 million. The Society's capital position is well in excess of regulatory requirements, providing a strong platform for the future.

## Outlook

The Northern Ireland economy has performed better than expected by many commentators. Looking forward, the economic outlook is for steady, but unspectacular output growth. We expect output in Northern Ireland to continue along this pathway in 2025. We are also expecting the relatively low levels of unemployment for Northern Ireland, to be maintained into the near future.

In addition, competition in the mortgage and savings markets is likely to intensify leading to a challenging business environment for the Society in 2025.

Progressive remains focused on the long-term benefits of Membership for borrowers and savers and we have a strong financial base to weather the challenges ahead. We will continue to support our Members, partners and colleagues, and we will continue investing in our branch network and technology.

Internal processes are being re-engineered to better utilise technology, allowing our people to concentrate on more value-added tasks. This enables the Society to further grow our mortgage and savings Membership and

balances as we improve efficiencies. The transfer of our technology infrastructure from data centres to cloud further increases efficiency and provides greater resilience and flexibility in storage capacity.

We know that our Members strongly support the face-to-face, quality service that is provided through our branch network. We will continue to serve our Members through any channel they chose – branch, telephone, email and digitally.

The Board is committed to providing our Members with products and services that meet their needs. Products must be simple, clear and transparent. We will continue to offer good value products which are consistently well placed in the local best buy tables.

We will endeavour to reduce our own impact on the environment, and we will also look at additional ways in which we can support Members in their efforts to reduce their carbon footprint through the range and design of our products and services.

Above all, Progressive Building Society will continue to support new and existing Members to save and buy, build or improve their homes. Many challenges lie ahead but our traditional branch-based business model, augmented by technology and a prudent lending policy, will ensure we continue to be the provider of choice for many savers and borrowers.

## **Staff and Agents**

We have accomplished so much in the last few years, and this has

only been possible because of the continued dedication of the Society's management and staff, and the agents who support them. Despite challenging market conditions, and changes in systems and procedures, they have continued to provide an excellent service to Members.

We are very proud of the efforts of our staff as they work to maintain the Society's hard-earned reputation in the community.

## **Charitable Donations**

We believe it is important to contribute to and support our local community. The Society made charitable donations of £133,000 during 2024 (2023: £147,000).

## **Going Concern and Viability**

The Directors are satisfied the Society has adequate resources to continue in operational existence for at least the next twelve months and to meet its liabilities over the five-year planning period and, therefore, it is appropriate to continue to adopt the going concern basis in preparing the Annual Report and Accounts.

## **Auditors**

The Auditors, Deloitte (NI) Limited, have expressed their willingness to continue in office and, in accordance with Section 77 of the Building Societies Act 1986, a resolution for their re-appointment as Auditors is to be proposed at the Annual General Meeting.

## Directors

The following persons served as Directors of the Society during the year:

Name	Business Occupation
Keith Jess BSSc FCA	Chair
Martin Pitt BSSc MAcc FCA	Vice-Chair
Karen Furlong BA (Hons)	Senior Independent Director
Noyona Chundur BSc (Hons) CDir	Non-Executive Director
Wendy Galbraith BSc (Hons) FCA	Non-Executive Director
Clare Guinness BSc (Hons) CDir	Non-Executive Director
John Healy BEng MSc OBE	Non-Executive Director
Paul Leonard BSc (Hons) MSc	Non-Executive Director
Stephen Mitcham BA (Hons)	Non-Executive Director
Michael S Boyd BSc (Hons) FCA	Chief Executive
Declan Moore BA MBA	Operations Director
Gareth Robinson BSc (Hons) CGMA	Finance Director

The Society has a strong framework in place for succession and refreshing the Board and three new non-executives Directors were appointed in 2024.

Wendy Galbraith joined the Board in May and Noyona Chundur and John Healy joined in August.

Wendy is a Chartered Accountant and an experienced senior executive leader specialising in finance, governance, transformation and innovation. She brings extensive strategic expertise having held board and senior management positions within the higher education and healthcare sectors.

Noyona is a Chartered Director and she has been Chief Executive of the Consumer Council for Northern Ireland since January 2021, prior to which she spent over 15 years in economic development leading communication and digital engagement strategies. She has extensive experience working with government, academia and industry and brings board experience from both the public and private sector.



John is a highly experienced senior executive with over 30 years of experience in the technology sector, mostly gained in the financial service industry. He has extensive experience in leading global teams, developing strategy and delivering solutions to address business and technology issues. In addition, John has significant

executive and non-executive board experience from the public and private sector.

The Society's Board is made up of Directors who bring the diversity, experience and independence of mind necessary to ensure that Progressive continues to be well governed and to secure its continuing success.

## Officers

The following persons held positions as Officers of the Society:

Name	Business Occupation
Ailsa L McNeill BA (Hons) PgDip	Head of Human Resources
Kyle McRoberts BSc (Hons) ACA	Society Secretary
Jane Millar	Head of Lending & Savings
Claire Rice LLB (Hons) PgDip	Chief Risk Officer
Monique Silva BSc (Hons)	Head of IT

## Acknowledgement

We would like to thank our Members for their continued trust and acknowledge that the Society's success could not be achieved without their support.

**Keith Jess**

**Chair**

25th February 2025

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# Community Engagement



Belfast Mela



DSNI AGM & Awards



DSNI Sports Hall Athletics



Disability Sport NI (DSNI) Partnership

Community  
Rescue Service  
Donation



Newtownards Branch  
Refurbishment



Self-Build Live



Alzheimer's Society  
Charity Partner

Country Comes  
To Town

**£133,000**  
In Charitable Donations



# Summary Statement

For the year ended 31st December 2024

## Results for the Year

	2024 £000	2023 £000
Net interest receivable	31,374	35,927
Other income and charges	(1,438)	(1,654)
Administrative expenses	(20,086)	(17,757)
Provisions for bad and doubtful debts	(439)	(925)
Provisions for liabilities and charges	(140)	-
Operating profit and profit for the year before tax	9,271	15,591
Taxation	(2,185)	(3,838)
<b>Profit for the year</b>	<b>7,086</b>	<b>11,753</b>

All results from the current and prior years were derived from continuing operations.

## Financial Position at End of Year

	2024 £000	2023 £000
<b>Assets</b>		
Liquid assets	354,820	351,375
Mortgages	1,707,190	1,587,722
Fixed and other assets	23,190	24,258
<b>Total assets</b>	<b>2,085,200</b>	<b>1,963,355</b>
<b>Liabilities</b>		
Shares	1,738,170	1,682,123
Borrowings	172,440	113,085
Other liabilities	5,829	7,359
Reserves	167,170	160,032
Other reserves	1,591	756
<b>Total liabilities and reserves</b>	<b>2,085,200</b>	<b>1,963,355</b>

## Summary of Key Financial Ratios

	2024 %	2023 %
<b>As a percentage of shares and borrowings</b>		
Gross capital	8.83	8.96
Liquid assets	18.57	19.57
<b>As a percentage of mean total assets</b>		
Profit for the year	0.35	0.61
Management expenses	0.99	0.92

# Explanation of Ratios

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## **Gross capital as a percentage of shares and borrowings**

Gross capital comprises the general reserves, the revaluation reserve and the available-for-sale reserve. The gross capital ratio measures the proportion that the Society's capital bears to its liabilities to investors. Gross capital provides a financial cushion against any losses which might arise from the Society's activities and therefore protects investors.

## **Liquid assets as a percentage of shares and borrowings**

The liquid assets ratio measures the proportion that the Society's assets held in the form of cash, debt securities and short-term deposits bears to its liabilities to investors. Liquid assets are by their nature realisable, enabling the Society to meet requests by investors for withdrawals, make new mortgage loans and fund general business activities.

## **Profit for the year as a percentage of mean total assets**

Mean total assets represent the simple average of total assets at the beginning and end of the financial year. The profit / assets ratio measures the proportion that the Society's profit after taxation for the year bears

to the Society's mean total assets. The Society needs to generate a reasonable profit each year to maintain its capital at a suitable level to protect investors. However, a building society does not have to pay dividends to shareholders. The Society is therefore able to operate safely with lower profits than a bank and Members benefit from this through better mortgage and savings rates.

## **Management expenses as a percentage of mean total assets**

Management expenses are the Society's administrative expenses and represent the ordinary costs of running the organisation. They comprise mainly the costs of employing staff and maintaining the branch network. The management expenses ratio measures the proportion that these expenses bear to the simple average of total assets at the beginning and end of the financial year.

# Independent Auditor's Statement To The Members Of Progressive Building Society

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We have examined the Summary Financial Statement of Progressive Building Society (the "Society") for the year ended 31st December 2024 which comprises the results for the year, financial position at the end of the year and summary of key financial ratios together with the Summary Directors' Report.

## **Respective Responsibilities of Directors and Auditor**

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 with the full Annual Accounts, Strategic Report, 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 Summary Financial Statement 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 Summary Directors' Remuneration Report.

## **Basis of Opinion**

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

## **Opinion on Summary Financial Statement**

In our opinion, the Summary Financial Statement is consistent with the full Annual Accounts, the Strategic Report, the Annual Business Statement and the Directors' Report of Progressive Building Society for the year ended 31st December 2024 and complies with the 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 (NI) Limited*

Deloitte (NI) Limited  
Statutory Auditor  
Belfast, United Kingdom  
27th February 2025



# Summary Directors' Remuneration Report

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This additional report is provided, in accordance with good corporate governance practice, to give details of the Directors' Remuneration Policy and amounts of remuneration payable.

## Remuneration Policy for Executive Directors

The Personnel and Remuneration Committee makes recommendations to the Board on the remuneration and contractual arrangements of the executive Directors. In arriving at its recommendations, the Committee takes into account a variety of factors, including the comparative benefit packages of senior staff across a relevant peer group of building societies, the competitive market for financial services staff in Northern Ireland and macroeconomic conditions. Remuneration for executive Directors in 2024 includes an estimated performance related element of 7.5% of salary (2023: 7.0%). All eligible staff achieved the same performance related pay element as a percentage of their salary.

## Remuneration Policy for Non-Executive Directors

No Director is included in the process of determining their own fees. Remuneration of the Chair is reviewed and set by the other Directors, led by the Senior Independent Director, taking into account the fees paid to the Chairs of comparable institutions in the UK.

The remuneration of the other non-executive Directors is determined by the Board Chair and the executive Directors having considered director remuneration conditions at other societies, the aim being to ensure that fees are in line with the amount paid to non-executive directors in similar positions at comparable organisations.

Non-executive Directors are not members of the Society's pension schemes and have no entitlements under performance related schemes.

## Emoluments

The total emoluments of the Directors who served during the year were £949,000 (2023: £922,000), analysed as follows:

## (a) To non-executive Directors for services as Directors

	2024 Fees £000	2023 Fees £000
K Jess (Chair)	56	54
M Pitt (Vice-Chair)	43	41
K Furlong (Senior Independent Director from September 2023)	38	34
N Chundur (Appointed August 2024)	13	-
W Galbraith (Appointed May 2024)	21	-
C Guinness	31	30
J Healy (Appointed August 2024)	13	-
P Leonard	36	34
S Mitcham	31	30
G McGinn (Senior Independent Director to August 2023, retired August 2023)	-	22
	<b>282</b>	<b>245</b>

The annual amounts for services as non-executive Directors are set out in the table below:

	Fee £000
Chair	56
Standard non-executive Director	31
Additional fees:	
Vice-Chair	7
Senior Independent Director	3
Committee Chairs:	
Audit	5
Personnel & Remuneration	4
Risk	5

During 2024, M Pitt and C Guinness each received additional amounts of £1,781 (2023: £1,704) for their roles as pension scheme trustees.

## (b) To executive Directors for services in connection with the management of the Society

	Salary £000	Performance related £000	Benefits £000	Total £000
<b>2024</b>				
M S Boyd (Chief Executive)	235	18	16	269
D Moore (Operations Director)	175	13	9	197
G Robinson (Finance Director)	175	13	13	201
				<b>667</b>
<b>2023</b>				
M S Boyd (Chief Executive from November 2023, Deputy Chief Executive & Finance Director to October 2023)	194	14	14	222
D Moore (Operations Director)	166	12	9	187
G Robinson (Finance Director from November 2023)	28	2	2	32
D Armstrong (Chief Executive to October 2023, retired October 2023)	208	15	13	236
				<b>677</b>

The increase in accrued pension for M Boyd and D Moore in 2024 was £8,000 (2023: £5,000) and £7,000 (2023: £5,000) respectively. In 2023 the increase for D Armstrong (retired in 2023) was £3,000.

The Personnel and Remuneration Committee conducts a comprehensive review of executive Director fixed remuneration at least every three years in line with Board approved policy on

the determination of fixed executive Director pay. This review was last completed in early 2023 in relation to 2023 salaries.

All Directors are required to undertake training, as necessary, to enable them to maintain the competencies required for their roles. The performance of each Director is evaluated on an annual basis.

## Society Offices

### Ballymena

79 / 81 Wellington Street  
BT43 6AD

### Bangor

6 Castle Street  
BT20 4ST

### Belfast

33 / 37 Wellington Place  
BT1 6HH

### Coleraine

9 The Diamond  
BT52 1DE

### Enniskillen

24 High Street  
BT74 7EH

### Glengormley

323 Antrim Road  
BT36 5DY

### Lisburn

3 Market Place  
BT28 1AN

### Londonderry

3 Millennium Forum  
Newmarket Street  
BT48 6EB

### Newtownards

4 Conway Square  
BT23 4DD

### Omagh

40 High Street  
BT78 1BP

### Portadown

12 Market Street  
BT62 3JY

### Head Office

Progressive House,  
33 / 37 Wellington Place  
Belfast BT1 6HH

## Savings helpline

**Phone:** 028 9016 0950

**Opening Hours:** Monday - Friday,  
9am - 5pm

## Mortgage helpline

**Phone:** 028 9016 0949

**Opening Hours:** Monday - Friday,  
9am - 5pm

## Web Address

[www.theprogressive.com](http://www.theprogressive.com)

Information correct at the time of  
going to print (March 2025).

Progressive Building Society is  
authorised by the Prudential  
Regulation Authority and regulated by  
the Financial Conduct Authority and  
the Prudential Regulation Authority.  
Financial Services Register  
Number 161841.

