

Annual review & summary financial statement

2007

Life's not so taxing

make the most of
your tax breaks

Savings accounts

that help you achieve
your goals

Dividend increase

The Board
proposes a
14.3 pence
final dividend

Bradford & Bingley[^]

'I'd like a savings account that's built around my needs'



At the heart of any successful business is an ability to recognise and deliver what customers want. That's true today, more so than ever, especially when you think about how many banks and building societies there are to choose from. 2007 has been a year where Bradford & Bingley has put a lot of time into understanding its customers and getting better at anticipating their needs.

We have undertaken an intensive research programme, with both our savers and our intermediary customers (who sell Mortgage Express branded products). This means that in 2008 we will be looking to launch even more innovative products, delivering great value to our customers.

In 2007 our products continued

to perform strongly, with our e-savings winning two prestigious awards – Moneyfacts 'Best online account' and 'Best monthly interest account'. Our savings range remained highly competitive, with our accounts regularly appearing in the best buy tables - not surprising then that we attracted record levels of new customers.

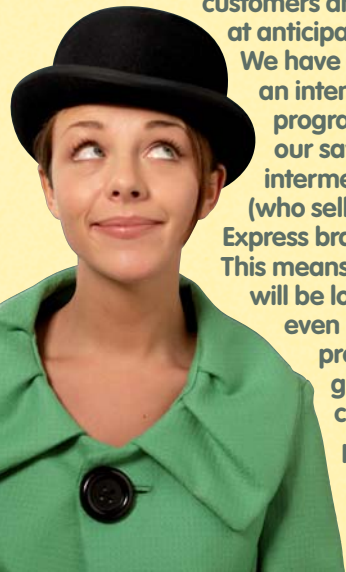
Our Mortgage Express brand also went from strength to strength, winning two 'Your Mortgage' magazine awards, including 'Buy-to-let Lender of the Decade'. We remain one of the leading specialist mortgage providers, and our innovative products and high service levels continue to make Mortgage Express one of the most sought after brands for mortgage brokers.

Customer feedback was also used to help us relaunch the Bradford & Bingley brand, both through our 'me&my' branding as well as a major TV campaign. In addition to putting us firmly back in people's minds, it has helped to remind

customers that we are there to help them achieve their financial goals. The good news is that over three quarters of customers now believe we are putting their interests at the heart of everything we do (branch exit surveys October 2007).

So 2008 promises to be an even better year for our customers. We will continue to invest in understanding what's important to them and coming up with exciting new products and services, which include our new Good for Life ISA, launching soon. With over 60% of people estimated to be earning less than the Bank of England base rate on their savings, this new concept in savings is designed to always stay competitive by guaranteeing to match and track the Bank of England base rate – for life!

To find out more about the Good for Life ISA as well as our new competitive range of fixed rate bonds click on www.bradford-bingley.co.uk or pop into your local Bradford & Bingley branch.



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A socially responsible business





Time to take your tax breaks

As we come to the eve of the new tax year, now is the time to take a look at your finances and find ways to make your money work that bit harder. We have a market-leading range of accounts to help you do just this – quite literally from cradle to grave...and beyond.

Great ideas for younger customers

Putting money away for a child's future is a great way to save. Our FirstSave & SmartSave accounts offer excellent rates of interest, special incentives to keep saving and, as most children are non-tax-payers, the taxman leaves these returns completely untouched. Did you also know that you can start a (tax-efficient) pension for a child as soon as they are born?

Making the most of ISA allowances

Now's the time to make the most of your annual ISA allowances, both in the

current and new tax years. From 6th April 2008 you will be able to save up to £3,600 in a cash ISA and up to £7,200 in a stocks & shares ISA, within an overall annual limit of £7,200. We have a new range of ISAs, all offering special rate guarantees, including our competitive Good for Life ISA. If you're tired of constantly shopping around for the best home for your tax-free savings or are unimpressed by one-off bonuses or short-term rates, this account could be just what you've been looking for. The interest rate on Good for Life ISA is linked directly to the Bank of England Base Rate, so you can always be confident that it will be competitive. You can also transfer in previous years' ISA balances which means you can enjoy a competitive rate on all your ISA savings – for life.

Could death be less taxing?

There's a chance that if anything were to happen to you, your loved ones might well have to pay up to 40% tax on a sizeable part of your estate. Even if you've already taken steps to minimise your liability, the (recently updated) Inheritance Tax rules mean you should review your plans without delay. Through our association with Legal & General, we can give you access to their expert advice and knowledge in our branches. Make a no-obligation appointment, to review any aspects of your investments, retirement planning or future tax liabilities, by visiting your local branch or logging on to bradford-bingley.co.uk

Bradford & Bingley plc acts as an introducer to Legal & General. Both Bradford & Bingley and Legal & General are authorised and regulated by the Financial Services Authority.

Save money on your insurance

Lifetime discounts for shareholders

We are delighted to offer shareholders exclusive lifetime discounts – whether you are looking to insure your home, your car or your travels.

Home Insurance

10%

discount for life of policy

Call 0800 316 8196

Quoting BB344

- **Save over £100**
- By searching our panel of leading insurers, we make it easy to find a policy that's right for you.
- Awarded Best Buy ratings from a leading consumer magazine for both cover and price.
- 365 days, 24 hour home emergency service for those unforeseen incidents.

Saving based on independent research (October 2007) which showed that 10% of customers could save up to £106.29 with Bradford & Bingley Home Insurance. Best Buy rating awarded in December 2007 for contents cover in medium risk areas.

Motor Insurance

5%

discount for life of policy

Call 0800 316 8195

Quoting BB344

- **Save over £150**
- Let us search our panel of leading insurers, to help you find the best possible deal.
- Courtesy car whilst your car is in for repairs (subject to availability – not available on third-party only cover).
- Cover automatically includes use of your vehicle for trips of up to 60 days in the EU.

Saving based on independent research (July - September 2007) which showed that 10% of customers could save up to £153.85 with Bradford & Bingley Motor Insurance.

Travel Insurance

5%

discount off annual cover for life of policy

Call 0800 169 3546

Quoting T021

- **Annual cover from £44**
- Kids covered for free on annual policies.
- Option of covering certain pre-existing medical conditions for an additional premium.
- Annual travel cover available up to age 79, single trip up to age 85.
- Travel insurance service provided by FirstAssist Insurance Services Ltd.

With free cover for under 18s, those with certain pre-existing medical conditions may be required to pay an additional premium. Price shown based on age 18-59, annual European cover, excluding luggage cover.

All calls may be monitored or recorded.

Our business

Bradford & Bingley is a UK based financial services business, focused on providing specialist mortgages and savings products.

When our Company was first set up its purpose was clear: to build a better future for the people of northern mill towns. In 1851, we helped our first customer, John Abbey, build a better future for himself and his family by lending him money to buy his own home. We're very proud of our heritage. In the Bradford & Bingley Group we know this heritage continues to shape our business and its purpose. We're still building a better future and we're building it for people right across the UK.

We offer residential mortgages, all secured on property, and focus on a range of niche areas, providing mortgages for individuals who need a more specialist product than those available in the mainstream market.

Bradford & Bingley also places great importance on its savings business and provides a competitive range of savings products, through our 197 branches and network of 140 third-party branch-type agents, by phone, post and online.

Our major mortgage product is buy-to-let, providing loans to individuals who wish to invest in UK property, enabling them to

become landlords and providing a good supply of high quality accommodation for those wishing to rent, rather than buy, their home.

We also offer self-cert loans for individuals who have more complex income streams, including the self-employed, those with more than one job and those with significant bonus income.

Our other products include lifetime mortgages which enable those aged over 60, with significant equity in their property, to release some of that equity to provide income or a lump sum.

The vast majority of our specialist products are sold through mortgage intermediaries under the Mortgage Express brand. A range of Bradford & Bingley branded mortgage products are available through our branches and through our telephony and online distribution channels.

We also offer a wide choice of financial services from a range of providers, including general insurance, wealth, protection and personal loan products.

We don't offer current accounts, and offer personal loans and credit cards through third parties only.



Our strategy

Bradford & Bingley's strategy is to establish leading positions in sectors of the UK mortgage market that offer superior long-term potential for growth and profitability, enabling the Group to provide attractive returns to shareholders.

We are competing in attractive markets

We have chosen to compete in markets that have attractive fundamentals. Our core markets (buy-to-let, self-cert and other niche products) each offer good risk-adjusted returns. These products are more complex than mainstream mortgages and the additional expertise required to manufacture and distribute these loans provides the basis for our competitive advantage.

We are experts in specialist mortgage lending

Mortgage Express, our intermediary lending business, was a pioneer of the buy-to-let product in the UK. Now, over a decade later, we are still the leading buy-to-let lender in the UK.

Understanding and meeting customers' needs

Changing customer needs are driving growth in our core lending markets. We have been offering specialist lending products for many years and our understanding of customers, together with our skills and experience in product design and underwriting, are core strengths of the business.

Strong savings franchise

Diversified funding, including a strong retail savings business, has been a key component of Bradford & Bingley's strategy for many years. The second half of 2007 demonstrated the importance of this approach - we remained able to fund the business in what have been very challenging market conditions.

Unlike many lenders active in our chosen markets, a large proportion of our funding comes from customer deposits, which we distribute through our branch network and via our online, postal and offshore channels. These deposits provide access to safe and stable funding.

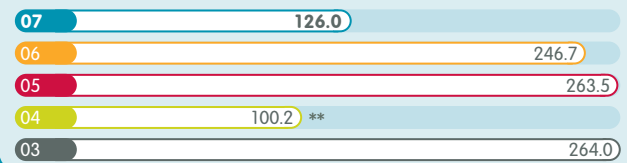
Underlying profit before tax*

£m



Profit before tax

£m



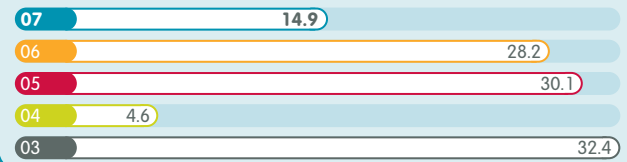
Underlying earnings per share*

pence



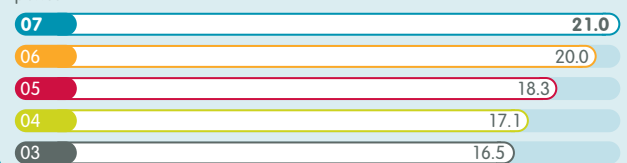
Earnings per share

pence



Full year dividend

pence



Savings balances

£bn



* A reconciliation of underlying profit before tax and the statutory measure profit before tax is provided in the summary income table on page 6. Figures relating to 2003 are on a UK GAAP basis and 2004-7 are on an IFRS basis.

** Profit before tax including loss on sale of discontinued operations.

Annual business review



Rod Kent
Chairman

Steven Crawshaw
Group Chief Executive

| Income Statement | | |
|-----------------------------------|------------|------------|
| For the year ended 31 December | 2007 £m | 2006 £m |
| Net interest income | 547.7 | 510.2 |
| Non interest income | 106.6 | 104.7 |
| Underlying net income | 654.3 | 614.9 |
| Fair value movements | (49.7) | (0.1) |
| Hedge ineffectiveness | (23.5) | 0.3 |
| Net income | 581.1 | 615.1 |
| Administrative expenses | | |
| - Underlying | (280.2) | (271.6) |
| - Compensation | - | (89.4) |
| Loan impairment | (22.5) | (7.4) |
| Investment impairment | (94.4) | - |
| Loss on sale of assets | (58.0) | - |
| Profit before taxation | 126.0 | 246.7 |
| Fair value movements | 49.7 | 0.1 |
| Hedge ineffectiveness | 23.5 | (0.3) |
| Compensation | - | 89.4 |
| Investment impairment | 94.4 | - |
| Loss on sale of assets | 58.0 | - |
| Underlying profit before taxation | 351.6 | 335.9 |

Introduction

2007 proved to be an eventful and difficult year for the banking sector.

Despite the turmoil in the financial markets in the second half of the year, Bradford & Bingley's underlying business progressed satisfactorily with underlying profit before tax of £351.6m, gaining by some 5%.

The disappointment of the year has been the write-downs and impairments, caused by the manifesting of the liquidity crunch, that have been made against a very small proportion of our Treasury assets. Largely because of this, our statutory profit before tax was reduced to £126.0m.

The Group's conservatism and diversity of funding, combined with our policy to prefund our new business pipeline and our decision to dispose of non-core

mortgage portfolios, meant that we weathered the much publicised liquidity problems in the financial markets well.

Underlying trading

Despite the diversion caused by market events, and as a direct result of the fortitude of our colleagues throughout the Group, we achieved a great amount during the year. We grew underlying profit before tax by 5% to £351.6m (2006: £335.9m) and underlying earnings per share increased by 6% to 40.2 pence (2006: 38.1 pence). Statutory profit before tax was £126.0m (2006: £246.7m) and earnings per share 14.9 pence (2006: 28.2 pence). The difference between underlying and statutory profits arises due to the exclusion of certain strategic, external and fair value items from underlying profits. These are set out in the Income Statement table.

We made good progress against our objective of growing residential lending, adding a record £8.3bn to our balances, an increase of 27%, to take our total residential balances at the year end to £39.4bn.

The savings business made an excellent contribution during the year, with an additional £1.6bn being raised through our traditional branch network. Retail Savings are a very valuable part of the business, attracting new customers to the Group and providing a stable source of funding. Total retail savings deposits were £21.0bn (2006: £19.7bn) and at the end of the year, total customer deposits of £24.2bn funded 60% of customer loans (2006: 61%).

The condition of our lending book is very important to us and we continue to have great belief in the quality and prospects for buy-to-let lending. Tenant demand

remains very strong and is driven by robust fundamentals. We took the decision early in 2007 to reduce our appetite for self-cert lending to preserve business quality. We have not relaxed our credit criteria across any of our products and have focused on higher quality loans, using risk-based pricing to ensure we cover any incremental risk with a higher price. The credit performance of all our portfolios has been in line with expectations. Arrears levels have increased during the year, reflecting rising interest rates in the UK.

Liquidity and funding

We have been pleased with the way we dealt with the extreme liquidity problems which emerged in the wholesale markets in the second half of 2007.

In general terms, we were well placed for such difficulties. We had been careful to retain our conservative approach to our funding and, in particular, had continued to invest in our branch network and build up the amount of our retail deposits. We had also pursued the policy of prefunding our net new lending and of holding sufficient liquidity for at least four months without recourse to wholesale money markets.

In response to the unfolding liquidity crunch, we took a number of steps to reduce our funding needs. We increased our mortgage pricing to contain volumes and protect margins; raised our savings pricing to attract additional customer deposits; reduced the level of mortgage portfolio acquisitions; and increased our focus on lower risk lending. For many years we have worked hard at diversifying our funding base and building strong relationships. This proved very beneficial when we raised £2.5bn in private funding transactions in September and October when the public wholesale markets were effectively closed.

At the time of these results, we had made good progress towards agreeing a range of secured standby facilities with our key relationship banks, at sensible margins, to take advantage of any particularly attractive growth opportunities.

In April 2007, the Board took the strategic decision to sell some commercial lending and housing association mortgage assets in order to focus on the higher-margin, high growth, specialist mortgage market. Market events protracted the sales process but we were pleased to complete the disposal in November 2007 of £4.0bn of loans for a net consideration £44.7m below book value. In addition, £13.3m of transaction and restructuring costs were incurred.

Impairment of treasury assets

In common with other banks and institutions, we have invested a small proportion of our assets in slightly higher yielding and more complex instruments. At the time of our pre-close statement, the Group held £125m of investments in structured investment vehicles ('SIVs'), and a further £140m holding in collateralised debt obligations ('CDOs') which have an element of exposure to the US sub-prime market. Of this CDO holding, including synthetic CDOs, £72m is the specific exposure to the US sub-prime mortgage market. Until the last quarter of 2007, no payment problems and no credit concerns had been encountered by these assets.

In the light of the recent problems with such assets, we have undertaken a careful analysis in order to identify those whose value has been permanently impaired. To our disappointment, we have concluded that £64.2m of our SIVs and £30.2m of our CDOs are impaired, and have charged these amounts to our Income Statement.

Fair value accounting

Under International Financial Reporting Standards introduced in 2005, for certain assets which include a derivative as part of their structure, the fair value change of that derivative is required to be shown in the Income Statement. Such changes on our portfolio of synthetic CDOs amount to £49.7m. It is important to emphasise that all these assets continue to perform and this change in fair value may not be permanent.

In addition, the hedging of fixed rate mortgage and savings, using interest rate swaps to remove the economic risk, creates a small amount of fair value movement described as hedge ineffectiveness. This amounted to a charge of £23.5m in 2007 (2006: £0.3m income).

Capital and dividend

We initiated a share buy-back in July 2007 in a move to improve the structure of our capital by changing the proportions of equity and interest bearing tier 1 capital on our balance sheet. As market conditions deteriorated it made sense to suspend our buy-back programme until greater stability returns to the capital markets. We will continue to review the amount and structure of our capital in the context of our strategy to grow our lending and market conditions. Our tier 1 ratio is improved at 8.6% (2006: 7.6%).

The Board is pleased to propose a final dividend of 14.3 pence per share (2006: 13.4 pence) for payment on 2 May 2008 to shareholders on the register as at 25 March 2008. If approved, the full year dividend for 2007 will be 21.0 pence per

share (2006: 20.0 pence), an increase of 5%, reflecting our underlying profit growth.

People

The Board has been extremely impressed with Bradford & Bingley's employees during 2007. Many areas of the Group experienced testing times during the year, particularly our branches and Savings' deposit operations where a very high level of transactions took place. Their commitment and enthusiasm was critical and much appreciated by the Board. We are very proud of our culture and values at Bradford & Bingley and it is this collective spirit and sense of belonging that has enabled our people to work together very effectively in 2007, in the face of extremely challenging market conditions. The Board would like to thank Sir George Cox who retired at the end of 2007, for his advice and service over the past seven years.

Outlook

It is widely anticipated that the economic conditions for the year ahead will be difficult and that the residential housing market will be adversely affected, despite the recent cuts in interest rates. In these circumstances we would expect arrears to eventually rise.

However, in our core buy-to-let lending, we see that rents are continuing to rise and that tenant demand remains very strong, with recent surveys of private property investors showing that they remain committed to maintaining or expanding their portfolios. Within our specialist markets, some competitive pressures have eased and we will seek the opportunity to rebuild our margins to offset the increased costs of funding whilst maintaining our overall credit quality.

The wholesale financial markets may be subject to further shocks and consequent turbulence and we will continue to exercise great caution in our approach to both funding and liquidity. The rate at which we can grow will depend on the rate at which we can fund the business both through our retail savings deposits and via the wholesale markets. Both of these have shown strong growth in the first few weeks of this year.

The Board believes Bradford & Bingley has the brand, the market positioning, the expertise and the policies in place to respond well to these conditions.

Summary financial statements

Summary Consolidated Income Statement

| For the year ended 31 December | 2007 £m | 2006 £m |
|---|--------------|------------|
| Interest receivable and similar income | 2,967.5 | 2,383.0 |
| Interest expense and similar charges | (2,419.8) | (1,872.8) |
| Net interest income | 547.7 | 510.2 |
| Fee and commission income | 81.7 | 91.7 |
| Realised gains less losses on financial instruments | 6.5 | 2.1 |
| Fair value movements | (49.7) | (0.1) |
| Hedge ineffectiveness | (23.5) | 0.3 |
| Other operating income | 9.6 | 5.2 |
| Net operating income | 572.3 | 609.4 |
| Administrative expenses | | |
| - Ongoing | (280.2) | (271.6) |
| - Compensation | - | (89.4) |
| Loan impairment loss | (22.5) | (7.4) |
| Investment impairment loss | (94.4) | - |
| Non-operating income | 8.8 | 5.7 |
| Loss on sale of assets | (58.0) | - |
| Profit before taxation | 126.0 | 246.7 |
| Taxation | (32.8) | (69.0) |
| Profit for the financial year | 93.2 | 177.7 |
| Attributable to equity shareholders | 93.2 | 177.7 |
| Earnings per share | | |
| - Basic | 14.9p | 28.2p |
| - Diluted | 14.9p | 28.1p |

Summary Consolidated Balance Sheet

| As at 31 December | 2007 £m | 2006 £m |
|--|-----------------|------------|
| Assets | | |
| Cash and balances at central banks | 209.2 | 202.6 |
| Treasury bills | 185.0 | - |
| Loans and advances to banks | 2,392.1 | 3,301.4 |
| Loans and advances to customers | 40,444.5 | 36,131.7 |
| Fair value adjustments on portfolio hedging | (53.8) | (70.4) |
| Debt securities | 6,778.7 | 5,299.9 |
| Derivative financial instruments | 1,175.4 | 291.0 |
| Prepayments and accrued income | 28.5 | 25.0 |
| Other assets | 653.7 | 21.3 |
| Deferred tax assets | 23.8 | 5.7 |
| Property, plant and equipment | 106.5 | 90.8 |
| Intangible assets | 41.0 | 55.2 |
| Total assets | 51,984.6 | 45,354.2 |
| Liabilities | | |
| Deposits by banks | 2,074.4 | 1,512.4 |
| Customer accounts | 24,152.6 | 22,201.0 |
| Fair value adjustments on portfolio hedging | (5.9) | - |
| Derivative financial instruments | 498.6 | 493.4 |
| Debt securities in issue | 22,308.1 | 17,841.3 |
| Other liabilities | 141.2 | 115.6 |
| Accruals and deferred income | 84.1 | 84.4 |
| Current tax liabilities | 23.7 | 96.0 |
| Post-retirement benefit obligations | 22.0 | 83.2 |
| Provisions | 59.7 | 94.8 |
| Subordinated liabilities | 1,253.7 | 1,247.0 |
| Other capital instruments | 161.6 | 165.2 |
| Total liabilities | 50,773.8 | 43,934.3 |
| Equity | | |
| Capital and reserves attributable to equity holders: | | |
| - Share capital | 154.4 | 158.6 |
| - Share premium reserve | 4.9 | 4.9 |
| - Capital redemption reserve | 29.2 | 25.0 |
| - Other reserves | (122.3) | 19.1 |
| - Retained earnings | 1,144.6 | 1,212.3 |
| Total attributable equity | 1,210.8 | 1,419.9 |
| Total equity and liabilities | 51,984.6 | 45,354.2 |



The Income Statement provided on page 6 presents a simpler view of the results than the statutory layout on page 8 and is aligned with the format used on a day-to-day basis by the Board and management of the Group. Certain items are grouped together from the statutory Summary Consolidated Income Statement to form the simplified Income Statement. These differences of presentation are explained below.

| Statutory Income Statement | | | Income Statement | | |
|---|--------------|--------------|--|--------------|--------------|
| For the year ended 31 December | 2007 £m | 2006 £m | For the year ended 31 December | 2007 £m | 2006 £m |
| Interest receivable and similar income | 2,967.5 | 2,383.0 | Net interest income | 547.7 | 510.2 |
| Interest expense and similar charges | (2,419.8) | (1,872.8) | Non interest income | 106.6 | 104.7 |
| Net interest income | 547.7 | 510.2 | Underlying net income | 654.3 | 614.9 |
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| Hedge ineffectiveness | (23.5) | 0.3 | Administrative expenses | | |
| Other operating income | 9.6 | 5.2 | - Underlying | (280.2) | (271.6) |
| Net operating income | 572.3 | 609.4 | - Compensation | - | (89.4) |
| Administrative expenses | | | Loan impairment | (22.5) | (7.4) |
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| Loss on sale of assets | (58.0) | - | Compensation | - | 89.4 |
| Profit before taxation | 126.0 | 246.7 | Investment impairment | 94.4 | - |
| Taxation | (32.8) | (69.0) | Loss on sale of assets | 58.0 | - |
| Profit for the financial year | 93.2 | 177.7 | Underlying profit before taxation | 351.6 | 335.9 |
| Attributable to equity shareholders | 93.2 | 177.7 | | | |
| Earnings per share | | | | | |
| - Basic | 14.9p | 28.2p | | | |
| - Diluted | 14.9p | 28.1p | | | |

- 1 The sum of the interest received on the mortgages, loans and wholesale assets of the Group less the interest cost of funding these loans payable to retail depositors and wholesale investors.
- 2 The total fees and commissions earned on the sale of financial products, any net gains or losses on the sale of assets.
- 3 Changes in the value of financial instruments held as investments or used to manage risk on our balance sheet and accounting volatility that can have a distorting effect on financial performance in single reporting periods.
- 4 The total expenditure of the Group on wages and salaries, property leases, other consumable items such as marketing and information technology, depreciation on assets and costs associated with other services purchased.
- 5 The amount provided in the year to cover the estimated cost of claims for mis-selling relating to the IFA business which was closed in 2004.
- 6 The amount charged to allow for any reduction in the value of assets, for example, losses arising when customers fail to repay the interest and balance on their mortgages.
- 7 Impairment of SIVs and CDOs.
- 8 The loss on sale of the commercial property and housing association loans.
- 9 The net earnings of the business after satisfying all commitments but before any payment of taxation and the effects of 3, 5, 7 and 8 above.

Independent auditor's statement to the members of Bradford & Bingley plc

We have examined the Summary Financial Statement which comprises the Summary Consolidated Income Statement and Summary Consolidated Balance Sheet and Summary Directors' Remuneration Report set out on pages 12 to 14.

This statement is made solely to the Company's members, as a body, in accordance with section 251 of the Companies Act 1985. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Review & 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 Annual Review & Summary Financial Statement with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

We also read the other information contained in the Annual Review & 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.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the Summary Financial Statement' issued by the Auditing Practices Board. Our report on the Group's full annual financial statements describes the basis of our audit opinion on those financial statements and the Directors' Remuneration Report.

Opinion

In our opinion the Summary Financial Statement is consistent with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report of Bradford & Bingley plc for the year ended 31 December 2007 and complies with the applicable requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

KPMG Audit Plc, Chartered Accountants,
Registered Auditor, Leeds
12 February 2008

Summary Directors' report

This is the Summary Directors' report for the period ended 31 December 2007.

Group performance and dividend

A review of the Group's performance during the year is contained in the Annual Business Review and Financial Statements on pages 6 to 9.

Underlying profit before tax was £351.6m (2006: £335.9m). Statutory profit before tax was £126.0m (2006: £246.7m) with the difference largely due to the write-downs and impairments, caused by the manifesting of the liquidity crunch, that have been made against a very small proportion of our Treasury assets.

The Directors are proposing the payment of a final dividend of 14.3 pence per share (2006: 13.4 pence) on 2 May 2008 to shareholders on the Register at the close of business on 25 March 2008. This will make a total dividend for the year of 21.0 pence per share (2006: 20.0 pence per share).

Directors

The Board currently comprises a Non-executive Chairman, five independent Non-executive Directors (considered by the Board to meet the independence criteria in the Combined Code on Corporate Governance) and five Executive Directors as follows:

1 Rod Kent#>

Chairman (Non-executive) and Chairman of the Nominations Committee

2 **Steven Crawshaw+**
Group Chief Executive

3 **Nicholas Cosh*+>**
Non-executive Director, Senior Independent Director and Chairman of the Balance Sheet Management Committee

4 **Stephen Webster*+**
Non-executive Director and Chairman of the Audit Committee

5 **Ian Cheshire*#+**
Non-executive Director

6 **Robert Dickie**
Group Operations Director

7 **Louise Patten#+**
Non-executive Director and Chairman of the Remuneration Committee

8 **Chris Willford>**
Group Finance Director

9 **Roger Hattam>**
Managing Director Group Product and Marketing

10 **Mark Stevens**
Group Sales Director

11 **Michael Buckley*+>**
Non-executive Director

* Member of Audit Committee

Member of Remuneration Committee

+ Member of Nominations Committee

> Member of Balance Sheet Management Committee

Rod Kent, Nicholas Cosh and Steven Crawshaw will retire by rotation at the forthcoming Annual General Meeting ('AGM') and offer themselves for re-appointment under the terms of the Articles of Association. Michael Buckley, Roger Hattam and Mark Stevens were appointed since the last AGM and are required to seek re-appointment at the AGM in accordance with the Company's Articles of Association.

Annual General Meeting

The Notice of the AGM to be held on 22 April 2008, together with explanatory notes, is given in the separate AGM booklet. Included in the ordinary business of the Meeting will be resolutions to re-appoint KPMG Audit Plc as Auditor, to seek shareholder authority to renew the authority for the Directors to issue shares, to disapply the statutory pre-emption rights to certain share issues and to enable the Company to make market purchases of its own shares, up to a maximum of 61.7 million shares. Authority will also be sought for changes to the Company's Executive Incentive Plan 2004. The special business of the Meeting will seek shareholder authority for changes to the Articles of Association.

Directors' remuneration

The aggregate emoluments of the Directors of the Company for the year ended 31 December 2007 were £3,772,586 (2006: £3,078,620). The total remuneration for each Director is set out in the Summary Directors' Remuneration Report on pages 12 to 14.



Corporate Governance Report

Bradford & Bingley is committed to high standards of corporate governance in its business.

The Directors are pleased to report that, throughout the year ended 31 December 2007, the Company complied with the provisions of the Combined Code. This Corporate Governance Report, coupled with the Directors' Remuneration Report, explains how the Company has applied the governance principles set out in the Code.

The purpose of the Board is to govern the Group's strategic direction, supervise its operational management and define and monitor acceptable risk parameters for the Group. The Board has adopted a structure of mandates, granted to individuals and committees throughout the Group, whilst retaining specified matters for its exclusive decision. The specified matters include the approval of interim and final financial statements, the approval of recommendations in connection with the payment of dividends, approval of corporate governance arrangements, the approval of the Group's strategic direction and the approval of various policies to be adopted by the Group.

The Board met ten times during the year to review operational performance against plans and budgets and to consider possible new developments including two meetings primarily devoted to strategic matters. In addition, the Chairman held one meeting

with the Non-executive Directors without the Executive Directors being present. One meeting of the Non-executive Directors, chaired by the Senior Independent Director, was also held without the Chairman being present in order to review the Chairman's performance.

During the year the constitution of the Board satisfied the Combined Code at all times. The Board reviews its constitution every year and, during 2007, the Chairman took the lead role in the evaluation of the performance of the Board, the principal committees and the performance and commitment of each Director. The process included detailed questionnaires, one-to-one interviews with the Chairman and a full discussion at a Board Meeting. Nicholas Cosh, the Senior Independent Director, led the Non-executive Directors in the evaluation of the Chairman at the meeting referred to above.

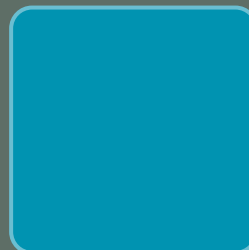
The Company is committed to ongoing, transparent communication across the shareholder base, whether to institutional investors, private or employee shareholders. The Summary Financial Statement, which details key facts about the Group's performance, is distributed to those private shareholders who have requested it. All Annual Reports and AGM documents, announcements, presentations and press releases are available on our www.bbgb.co.uk website.

The Company engages in two-way communication with institutional shareholders, fund managers and analysts to discuss publicly available information on its strategy, performance and policies. The Board receives feedback on these communications from the Directors attending the meetings and is also regularly apprised of comments from institutional shareholders and analysts, so that all Directors can develop a balanced understanding of the issues and concerns of shareholders. The Chairman and Senior Independent Director are available to meet shareholders on request and will ensure that the Board is aware of any shareholder concerns not resolved through the usual investor communications routes. At each AGM there is a review of the Group's performance and the Board welcomes the opportunity to gather views and take questions from shareholders.

The principal Board committees (the Audit, Balance Sheet Management, Remuneration and Nominations Committees ('Committees')) have terms of reference which are available on our website and on request. The Committees are chaired by Stephen Webster, Nicholas Cosh, Louise Patten and Rod Kent respectively. The Audit and Remuneration Committees comprise only independent Non-executive Directors. All Non-executive Directors and the Group Chief Executive are members of the Nominations Committee.

Group Committees

In addition to the Board Committees mentioned above, Bradford & Bingley has other management committees that focus on day-to-day matters, including the Executive Committee. This Committee generally meets on a weekly basis and is the key collective decision making body with regard to operational issues within the Group. The members of this Committee are the Executive Directors: Steven Crawshaw, Robert Dickie, Roger Hattam, Mark Stevens and Chris Willford together with Ian Anderson (Group HR Director).



Summary Directors' remuneration report

The Remuneration Committee

The role of the Remuneration Committee (the 'Committee') is to assist the Board in the development and application of remuneration policy for the Chairman, the Group Chief Executive and Executive Directors. The terms of reference of the Committee are available on www.bbg.co.uk

Remuneration policy

The overall aim of the Committee is to ensure that the Group's remuneration policies attract, retain and motivate the executives. The Committee considers total remuneration to be the true measure of reward and considers the level and impact of the package in its totality as well as the individual elements. Total remuneration for executives is geared heavily towards performance.

During the year, the Committee conducted a review of remuneration in order to ensure consistency with their policy. The review identified a significant shortfall in total remuneration levels against the desired market position and identified that changes were necessary to make the package more closely aligned with the Group's business strategy.

As a result, the Remuneration Committee agreed to introduce a new one-off incentive plan, the Executive Incentive Scheme ('EIS'), payable entirely in shares and restricted for three years. This was intended as an interim solution for 2007 only to ensure competitiveness. In addition, the Committee is proposing some changes to the Executive Incentive Plan ('EIP'), to apply from 2008, in order to address the issues identified in the review for the longer term. These changes are detailed below and in the table opposite.

Remuneration for 2007

Base salary

Base salaries for Executive Directors were reviewed in July. When determining the salary of the Executive Directors, the Committee takes into account:

- base salaries of comparable roles within FTSE 100 retail financial services businesses which operate predominantly in the UK;
- the performance of the Group;
- the performance of the individual Executive Director; and
- the individual Executive Director's experience and responsibilities.

Base salary is the only element of pay that is pensionable.

The EIS, introduced in 2007 delivers an award of up to a maximum of 150% of

base salary for delivering key strategic objectives and over achieving personal objectives, paid entirely in restricted shares vesting in 2011. The scheme is based on robust and genuinely stretching targets. The EIS 2007 was a one-off arrangement and will not operate in 2008.

The Executive Incentive Plan

The EIP is intended to encompass both annual and three-year performance. The EIP applies to those individuals whose personal performance has a significant impact on the Group's results, namely the Executive Directors and certain other senior executives. In 2007 there were 18 participants in total.

Short-term performance component

Under the EIP, the short-term component is composed of two equal parts, one of cash and one of deferred shares, both subject to the achievement of pre-determined short-term performance measures during the year. For both components "on-target" performance results in a payout of 30% of base salary and a maximum of 60% of base salary.

The performance measures are reviewed annually to ensure they are appropriate to the current market conditions and the Company's goals and priorities. Once set, they are not normally adjusted during the year. No changes were made over the course of the past financial year.

Performance related payments earned for the past year totalled on average 35% of annual salary in cash and 35% of annual salary in deferred shares. The value of the deferred shares element will be disclosed at the time of vesting in the relevant report.

Long-term performance component

If the Company performs strongly during the three-year deferral period, participants will be entitled to an additional award of matching performance shares. The performance conditions determining the level of match to be applied to the shares relating to 2007 performance will be as follows:

| Compound underlying EPS growth | Share match |
|--------------------------------|-------------------------|
| < RPI + 3% pa | Nothing |
| = RPI + 3% pa | 1 x match |
| = RPI + 5% pa | 2 x match |
| = RPI + 8% pa | 3 x match (upper limit) |

Matching is calculated on a straight line basis between the above points.

Underlying EPS growth was chosen as the performance measure for the EIP as something for which the executives can be held directly accountable by focusing on internal financial performance only.

Total remuneration is heavily geared to performance and at maximum performance base salary represents 20% of the total package.

The value of pensions has been excluded from the calculations as these values can vary significantly from year to year and from person to person.

Remuneration for 2008

It is proposed that from 2008 the short-term performance components of both cash and deferred shares will be increased to 100% salary for maximum performance and 50% at on-target performance.

Non-financial measures are being introduced to encourage greater focus on broader business results and support the future success of the business. These will operate alongside the existing measures of individual contribution and Group underlying profit before tax.

The maximum number of matching shares will be reduced to 2.5 for each deferred share for 2008.

For matching awards made from 2009 (in respect of deferred awards relating to 2008 performance) TSR will be introduced as a second performance condition in equal weighting to the current performance condition of underlying EPS.

The addition of TSR as a performance measure creates a balance between performance conditions that are more directly within management control and conditions that are aligned with ultimate shareholder outcomes over the performance period.

50% of the award ('TSR award') will be based on a condition measuring the Group's TSR against eleven UK focused FTSE 100 Retail Financial Services companies. In order to achieve the full matching TSR award, the Group's TSR performance must exceed the median TSR of the constituents of the index by an average of 6% per annum with straight line vesting between these points as follows:

| | |
|--------------------------------|---------------------------|
| Performance below median | Nil |
| Performance at median or above | 1 x match |
| Performance at median + 6% pa | 2.5 x match (upper limit) |

The other 50% of the award (the 'EPS award') will be based on compound underlying earnings per share ('EPS') growth as follows:

| | |
|---------------|---------------------------|
| < RPI + 3% pa | Nil |
| = RPI + 3% pa | 1 x match |
| = RPI + 5% pa | 1.75 x match |
| = RPI + 8% pa | 2.5 x match (upper limit) |

Matching will be calculated on a straight line basis between these points.

Pensions and other benefits

Roger Hattam and Mark Stevens, who were both appointed as Executive Directors with effect from 1 May 2007, are active members of the final salary based Staff Pension Scheme for basic salary up to the earnings cap (currently £112,800 pa).

From 1 July 2007 they both receive a 30% salary supplement in respect of their basic salary above the earnings cap. Prior to this date they were receiving employer contributions of 15% of their basic salary in excess of the earnings cap into the defined contribution based Stakeholder Plan with Investment Solutions Limited.

Steven Crawshaw and Robert Dickie receive a 30% salary supplement on their full basic salary and are not accruing any future

pension benefits. They both have deferred pension benefits in the final salary based Staff Pension Scheme that increase in line with their future basic salary levels.

At the start of 2007, Chris Willford was receiving a 20% salary supplement on his full basic salary in lieu of pensions accrual. From 1 July 2007 this was increased to 30% of his full basic salary.

Until his resignation as Executive Director with effect from 1 May 2007, Chris Gillespie was participating in the defined contribution based Stakeholder Plan with Investment Solutions Limited. The employer contribution to this arrangement was 15% of his full basic salary.

From 1 July 2007 the lump sum life assurance cover was increased to 15 times full basic salary for all Executive Directors.

Changes to the EIP

| Element | 2007 | Proposed for 2008 |
|-------------------------|---|--|
| Cash element | - Underlying profit before tax, personal objectives - Maximum 60% base salary | - Underlying profit before tax, personal objectives and range of key business performance indicators - Maximum 100% base salary |
| Deferred element | - Underlying profit before tax, personal objectives - Maximum 60% base salary | - Underlying profit before tax, personal objectives and range of key business performance indicators - Maximum 100% base salary |
| Matching shares | - Growth in Earnings per share (EPS) - Maximum match of 3 shares for each share held | Based on - 50% Growth in EPS - 50% Relative TSR Performance vs Peer Group - Maximum match of 2.5 shares for each share held |

Directors' emoluments for the year ended 31 December 2007

| £s | Salary/fees | Benefits | Payment in lieu of pension | Short term cash element 2007 | Total emoluments 2007 | Short term cash element 2006 | Total emoluments 2006 |
|---|------------------|---------------|----------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| Executive | | | | | | | |
| Steven Crawshaw | 640,000 | 8,548 | 192,000 | 272,000 | 1,112,548 | 360,000 | 1,045,913 |
| Chris Willford | 412,500 | 25,572 | 105,000 | 157,500 | 700,572 | 187,500 | 628,241 |
| Robert Dickie | 309,550 | 12,085 | 92,865 | 66,000 | 480,500 | 144,550 | 491,293 |
| Chris Gillespie (resigned 1 May 2007) | 104,150 | 7,817 | - | - | 111,967 | 144,550 | 450,673 |
| Roger Hattam (appointed 1 May 2007) | 220,000 | 7,466 | 32,581 | 132,000 | 392,047 | - | - |
| Mark Stevens (appointed 1 May 2007) | 220,000 | 7,466 | 32,581 | 132,000 | 392,047 | - | - |
| Total | 1,906,200 | 68,954 | 455,027 | 759,500 | 3,189,681 | 836,600 | 2,616,120 |
| Non-executive | | | | | | | |
| Rod Kent | 265,000 | - | - | - | 265,000 | - | 210,000 |
| Nicholas Cosh | 71,250 | - | - | - | 71,250 | - | 60,000 |
| George Cox (retired 31 December 2007) | 53,250 | - | - | - | 53,250 | - | 47,500 |
| Stephen Webster | 70,000 | - | - | - | 70,000 | - | 60,000 |
| Ian Cheshire | 48,000 | - | - | - | 48,000 | - | 42,500 |
| Louise Patten | 54,667 | - | - | - | 54,667 | - | 42,500 |
| Michael Buckley (appointed 26 July 2007) | 20,738 | - | - | - | 20,738 | - | - |
| Total | 582,905 | - | - | - | 582,905 | - | 462,500 |
| Total Directors' emoluments | 2,489,105 | 68,954 | 455,027 | 759,500 | 3,772,586 | 836,600 | 3,078,620 |

Notes
Short-term performance remuneration shown above reflects amounts payable in respect of 2007 performance. Taxable benefits received by Directors consist principally of the provision of a company car, health benefits and, housing allowance. An amount in lieu of pension entitlement is shown separately. The 'Total Emoluments' reflect payments made to Directors for the period they served on the Board during 2006. Total emoluments for Roger Hattam and Mark Stevens reflect remuneration for their time as directors. Under the EIS 2007, awards, as a percentage of salary, paid as deferred shares, were: Steven Crawshaw 100%, Chris Willford 100%, Roger Hattam 100%, and Mark Stevens 100%. These shares were granted in February 2008.

Directors' accrued pension entitlements

| (£000s) | Age as at 31 Dec 2007 | Accrued pension entitlement 31 Dec 2007 | Change in accrued benefit during 2007 | Transfer value as at 31 Dec 2007 | Transfer value as at 31 Dec 2006 | Change in transfer value during 2007 | Transfer value of increase in accrued pension 31 Dec 2007 | Company's pension contribution 2007 |
|--|-----------------------|---|---------------------------------------|----------------------------------|----------------------------------|--------------------------------------|---|-------------------------------------|
| Executive | | | | | | | | |
| Steven Crawshaw | 46 | 125 | 12 | 1,876 | 1,305 | 571 | 100 | - |
| Robert Dickie | 48 | 29 | 2 | 450 | 320 | 130 | 20 | - |
| Chris Gillespie (resigned 1 May 2007) | 44 | - | - | - | - | - | - | 15 |
| Roger Hattam (appointed 1 May 2007) | 39 | 30 | 3 | 350 | 236 | 109 | 9 | 14 |
| Mark Stevens (appointed 1 May 2007) | 38 | 7 | 2 | 65 | 37 | 28 | 11 | 14 |

Notes
Pension disclosures are reported above in accordance with Directors' Remuneration Report Regulations 2002. The transfer values reported above reflect the capital value of the relevant pension assessed under market conditions at the end of 2007 and 2006 respectively. The change in transfer value during 2007 is reduced by the Directors' contributions to the scheme during 2007. The increase in accrued pension entitlement represents the change in the annual pension to which each Director is entitled as a result of changes in pensionable earnings, excluding inflation, and increases in pensionable service. Benefits have been valued at a retirement age of 60, with an adjustment made to the post 1 April 2005 benefits to reflect the fact these are reduced if paid before age 65. Steven Crawshaw and Robert Dickie ceased accrual on 5 July 2006. Their benefits continue to increase with pensionable salary rises. Accrued pensions for Steven Crawshaw and Robert Dickie will only be known precisely once they leave or retire. Their total pension at normal retirement date was accruing based on a target of 2/3rds of their pensionable salary (FPS), offset by retained benefits in other pension schemes. Chris Gillespie was not a member of the defined benefit pension scheme but the Company contributed to a money purchase scheme until his resignation. Pension disclosures for Roger Hattam and Mark Stevens reflect entitlements, not only for their time as Directors, but for the whole of 2007. The Trustees have reviewed the transfer value basis during 2007 and part of this is reflected in the change in transfer value. In 2007 pension payments due to former Directors amounted to £0.3m (2006: £0.3m).

Summary Directors' remuneration report continued

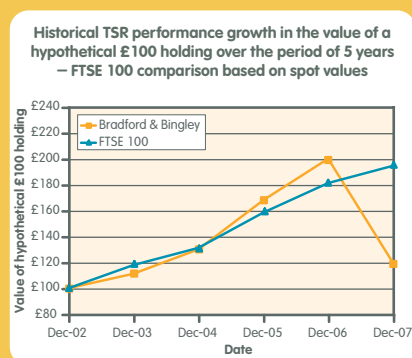
In line with typical market practice, other contractual benefits are provided in the form of a company car (or cash allowance), housing allowance, private medical insurance and permanent disability and accident insurance.

Contracts

Group policy is to employ Executive Directors on one-year rolling contracts (that expire at their respective normal retirement ages) although, on recruitment, longer initial terms may be approved by the Remuneration Committee covering a transition period. The principle applied on termination is that all legal and contractual arrangements are met, with no additional payments. Executive Directors receive a maximum of 12 months' basic salary and other contractual benefits (as outlined previously) in the event of the Company terminating their contract without notice for any reason other than gross misconduct (when there will be no compensation). There are no special provisions relating to termination of employment following a change in control of the Group.

Historic TSR Performance

Bradford & Bingley was a constituent member of the FTSE 100 index for the first half of the year. The graph below shows Bradford & Bingley's TSR compared with the companies comprising the FTSE 100 index over the past five years.



Shareholder information

Shareholders' interests in shares at 31 December 2007

There are 940,195 Bradford & Bingley shareholders holding a total of 617,674,534 ordinary shares. As at 31 December 2007 the share price was 268.00p and the market capitalisation was £1.6bn.

Share price

You are able to keep track of the share price through the financial press, by visiting our Group website at www.bbg.co.uk or by calling the Shareholder Helpline on 0844 472 6003.

Share dealing service

To buy or sell Bradford & Bingley shares call 0844 472 6003. This service is provided by our Registrar, Computershare Investor Services plc and is available to all our shareholders. Please have your Securityholder Reference Number ('SRN') ready when making your call. You will find this on your voting form or your dividend documents.

An internet share dealing service has also been established with our Registrar. Log on to www.computershare.com/dealing/uk and have your SRN ready. A bank debit card will be required if you wish to purchase shares.

For shareholders in the Bradford & Bingley Nominee Account ('BBNA') a postal share dealing service is also available. Please contact the Registrar for details.

ShareGift Scheme

Many investors find themselves owning parcels of shares in quantities so small that it would cost more to sell them than they are worth. They may therefore be too small to do anything with, but may still bring a tax liability on any dividends paid and unwanted annual reports and other documents.

Bradford & Bingley plc supports ShareGift, which is administered by The Orr Mackintosh Foundation (registered charity number 1052668). Any shares that you donate to

ShareGift will be transferred into the name of The Orr Mackintosh Foundation, who will aggregate them, sell them when possible and donate the proceeds to a growing list of charities. Since ShareGift was started in 1996, millions of pounds have been given to hundreds of charities.

If you would like to participate in the ShareGift scheme, or receive more information about the scheme, visit their website at www.sharegift.co.uk, call 020 7930 3737, or write to ShareGift, 17 Carlton House Terrace, London SW1Y 5AH.

Dividend Payment Methods

You can choose one of the following methods:

- elect to use your whole cash dividend to buy additional Bradford & Bingley shares under the Dividend Reinvestment Plan ('DRIP'); or
- have cash dividends paid direct to a bank or building society account; or
- have cash dividends paid in the form of a cheque.

The Company now offers a DRIP that allows you to use your whole cash dividend to buy additional shares in a cost-effective way. Computershare Investor Services PLC run the scheme and you can find further information and also join the DRIP by selecting Dividend Plans on the www.computershare.com/investors/uk website.

You can elect to receive your dividends directly into a bank or building society account. You will receive one consolidated tax voucher each year. This will contain the taxation details of all dividends paid in that particular tax year. If you wish to have them credited to a bank or building society account, you will receive a form with the dividend payment enabling you to do this.

Otherwise, dividends will be paid to you by cheque to the address held by the Registrar.



A socially responsible business

Corporate Social Responsibility Report

Bradford & Bingley's Corporate Social Responsibility ('CSR') programme involves managing and conducting our business in a socially responsible manner in terms of the environment, employees, customers, shareholders, local communities and all other stakeholders.

In 2007, Bradford & Bingley was again recognised as one of the leading companies in the UK for CSR when we were awarded the Gold Standard in Business in the Community's Community Responsibility Index and were featured in the Sunday Times "Companies That Count" supplement. We also continue to be a member of the FTSE4Good Index of socially responsible companies.

Our full CSR report can be found on our website at www.bbg.co.uk or by emailing csr@bbg.co.uk. Limited stocks of a printed version of the report are available on request from the CSR Department, Bradford & Bingley, PO Box 2, Bingley, BD16 2LW. The main features of the report are summarised below:

Doing the right thing in the marketplace

We have worked with the Wallace & Gromit's Children's Foundation again in 2007. We utilised one of their major new characters, Shaun the Sheep, in a range of product initiatives. The Wallace & Gromit's Children's Foundation is a national charity raising funds to improve the quality of life for children in hospitals and hospices throughout the UK. In total, Bradford &

Bingley staff and customers raised over £15,000 for the Foundation.

Our specialist lending arm, Mortgage Express, has the largest buy-to-let customer base in the UK and is a leader in the self-certification and lifetime mortgage markets. It is a member of Safe Home Income Plans ('SHIP'), the UK's leading professional body for equity release providers, dedicated to the protection of planholders and promotion of safe home equity release plans.

Doing the right thing in the workplace

Bradford & Bingley is committed to ensuring the workplace is a safe, fair and diverse environment for all. During 2007, Bradford & Bingley continued to roll out its Culture and Values programme to embed a culture of working together across departments and functions within the Company, with a focus on reaching every member of staff as well as obtaining objective feedback across the Group.

Bradford & Bingley is a member of Employer's Forum on Disability, the Employers' Forum on Age and Opportunity Now. We continue to focus on supporting our workforce with our health & safety policies, and the work done by our Health & Safety department on stress management has been recognised by the Health & Safety Executive as setting best practice in this area.

Doing the right thing in the community

We continue to invest directly in the communities in which we live and work, and in 2007 we invested over £1.8 million, our highest amount ever.

Our community programme focuses on:

- Preventing and alleviating the causes of homelessness
- Personal finance education
- Supporting the social and economic regeneration of West Yorkshire
- Employee involvement through fundraising, payroll giving and employee time

Bradford & Bingley continues to be the main sponsor of the freephone housing advice helpline run by Shelter, the homelessness charity. Our community programme was awarded the special Silver "Big Tick" in the Business in the Community Awards for Excellence for our longstanding partnership with Shelter.

Doing the right thing in the environment

Bradford & Bingley is a CarbonNeutral® company but we are also committed to reducing our carbon footprint. All of our branch network and Yorkshire head office sites have 100% renewable energy electricity contracts. They are powered by solar, wind or bio-mass electricity sources.

Our continuing energy management programmes have reduced our total energy consumption and we now have a carbon footprint of under 0.5 tonnes CO₂ per employee per annum.

We were awarded a "Big Tick" in the Business in the Community Awards for Excellence for our Environmental Leadership and we were shortlisted for the national Example of Excellence.

Financial calendar 2008

| | |
|-------------|--|
| 13 February | Results for 2007 announced |
| 22 April | AGM & first Interim Management Statement |
| 29 July | Interim Results for 2008 announced |
| 29 October | Second Interim Management Statement |

Ordinary dividend

| | | | |
|----------|------------------------------------|--------------|------------------------------|
| 19 March | Ex-dividend date | 20 August | Ex-dividend date |
| 25 March | Record date | 22 August | Record date |
| 11 April | Last date for DRIP elections | 12 September | Last date for DRIP elections |
| 2 May | Payment of final dividend for 2007 | 3 October | Payment of interim dividend |

Useful contacts

Shareholder helpline: **0844 472 6003**

For information about the Annual General Meeting, shareholdings, dividends and changes to personal details.

Registrar's address:

Computershare Investor Services PLC,
PO Box 1913,
The Pavilions,
Bridgwater Road,
Bristol BS99 2PR

Electronic Communications

The Company has set up a facility for shareholders to take advantage of electronic communications. You can vote online and receive notification of shareholder documents electronically.

To cast your AGM vote online log on to www.computershare.com/voting/uk and complete the following steps:

- choose the Bradford & Bingley meeting;
- enter your SRN and the unique PIN;
- enter your choices on screen.

To register your e-mail address so that future shareholder information can be made available to you electronically, log on to www.bbg.co.uk and complete the following steps:

- click on 'Shareholder e-Services';
- enter the required information and click on 'submit'. You will need your SRN (which is located on your voting form or most recent tax voucher); and
- click on 'submit' again and register online.

Electronic proxy appointment through CREST

In addition to providing electronic voting and proxy appointment via our Registrar's website, the Company is supporting the CREST electronic proxy appointment service. Please see the notes on the proxy voting form for details of how to use this service.

The Summary Financial Statement is posted to shareholders who have not requested a full version of the Annual Report & Accounts and to those members of the BBNA who have requested to receive it, together with the AGM documents and a voting form. A full version of the Annual Report & Accounts is available on our www.bbg.co.uk website. Those shareholders in the BBNA who do not currently elect to receive these documents can request to do so at any time by calling the Registrar on 0844 472 6003. The Summary Financial Statement is available in large print, Braille and audio tape format. To request a copy, call the Shareholder Helpline on 0844 472 6003.

Further information

The Summary Financial Statement does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Group. For further information the separate publication, Bradford & Bingley plc Annual Report & Accounts 2007, should be consulted. This contains the Directors' Report, the Directors' Remuneration Report, the Financial Statements and the Auditor's Report on those Financial Statements (which is unqualified and does not contain a statement under s.237(2) or s.237(3) of the Companies Act 1985).

The Annual Report & Accounts can be viewed on our www.bbg.co.uk website. Copies may be obtained, free of charge, by telephoning 0844 472 6003. Shareholders wishing to receive the full Annual Report & Accounts in future years should write to the Registrar at the address above. Shareholders can also register their e-mail addresses to receive their documentation electronically in the future.

Shareholder security

In recent years, there has been an increase in the number of shareholders who have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. Please therefore be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. More detailed information on this or similar activity can be found on the FSA website www.fsa.gov.uk/consumer/

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(02/2008)