

Suffolk Through and Through - Review of the Year 2021.

Including Summary Financial Statement
for year ended 30 November 2021

Suffolk

Building

Society

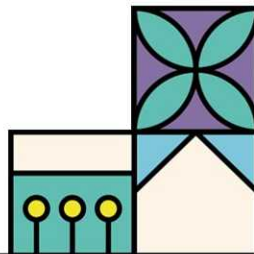
Suffolk

Building

Society

**We are Suffolk
Building Society.**

**Our mission is to
be a safe home for
savers and to provide
safe homes for
our communities.**



Contents.

- 4 Welcome from our CEO
- 6 Summary from our Chair
- 8 Membership
- 9 Community
- 10 Accessibility
- 11 A Safe Environment
- 12 Summary Financial Statements
- 16 Directors' Remuneration Report
- 19 A Year in Pictures
- 20 Where You'll Find Us



You are invited.

**AGM and Evening with Terry Waite CBE
23 March 2022**

At Trinity Park, Ipswich, Suffolk

suffolkbildingsociety.co.uk/agm-2022

Suffolk Through and Through – 2021.

If 2020 was ‘unprecedented’ then I believe that the word ‘reinvention’ is how the Society will remember 2021. As I reflect on a hugely transformative 12 months, it gives me enormous pride to welcome you to this very first ‘Suffolk Building Society’ Review of the Year.

Becoming Suffolk Building Society in November 2021 allowed us to take on a new name that’s more inclusive, connecting to a broader community – and an old name that marks our historic commitment to Suffolk. It presented an opportunity to revisit our values of Membership, Community and Accessibility for the twenty-first century, while reinvigorating how our brand appears across our branch network and digital channels.

Members at the heart

Physical branches in the community are at the heart of our offering, even in this digital age. As well as taking our new brand online with two great new websites – more on those later – we’ve brought the brand to life in the real world with glossy new signage and livery at each of our nine branches and at our agency in Capel.

‘When will you be offering online savings?’ is a question I am frequently asked. The answer is this is absolutely a priority for us. What we won’t do is roll something out which doesn’t sit with the face-to-face experience we offer in branch. The digital offering and physical offering must function seamlessly. This is a huge undertaking and not one we will rush at the expense of member experience.

On the subject of digital enhancements, we’re close to completing a transformation project to upgrade our mortgage origination platform to enable it to reflect our niche product proposition. This is the interface between our intermediary business and the

Society. Now that our rebrand project is in our rear-view mirror, we can focus on going live with this upgraded system which will significantly improve the experience for staff, members and intermediaries.

Our Community

With the Society’s drive to be more inclusive, we jumped at the chance to support Felixstowe WAMfest, which showcased women of all ages in music and the arts across diverse genres. You can read more about what we’ve done to support local communities on page 9.

At the core of our community are the 161 staff of the Society who support our members. I couldn’t be prouder of the fantastic job they’ve done in extremely challenging circumstances. They’ve juggled working from home, homeschooling and self-isolation to support all our members. As keyworkers, some of our staff have had to get out into the community to open up branches for members that needed face-to-face interaction.

Not only have our teams navigated the pandemic professionally and personally, they’ve also rolled out a hugely successful rebrand project. It’s been an enormous task spanning almost two years and involving every corner of the Society, for which I thank all our staff for a great job well done.

Our Financials

Various factors have led to a strong housing market: pent up demand following lockdown, the desire for more space for hybrid working, the stamp duty holiday which ended on 30 September 2021 after tapering, and record low interest rates. We’ve seen the highest level of our mortgage pipeline. However, our mortgage growth success this year hasn’t all been down to the economic backdrop.

We’ve adapted to market conditions and members’ needs, have re-introduced shared ownership, brought back 90% Loan-to-value (LTV) products and enhanced our self-build and large loans proposition. By providing niche products as well as standard residential mortgages we can deliver our mission of providing safe homes for our communities.

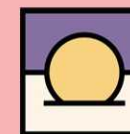
Our future

By investing in our new look and feel, in our branches, in technology and in the environment – and given the quality of the team at the Suffolk Building Society – I believe we are setting ourselves on the best possible course to meet bold ambitions for our future and for that of our stakeholders.

Thank you for your continued membership of Suffolk Building Society.

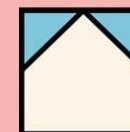


Richard Norrington
Chief Executive



Pre-tax Profits
up 53%

£2.9m (£1.9m in 2020)



Mortgages
Assets £615m
(2020: £568m)



Savings
Balances up by
£23.5m



£26,300
Total donated to
Suffolk causes

Key Society Achievements.

It won't have escaped your notice that our corporate identity has changed, and we are now serving our community in our new name – Suffolk Building Society – approved by 93% of voting members at our 2020 Annual General Meeting (AGM).

The rebrand itself was a great success and has given the Society cause for celebration during another challenging year. I've received positive feedback from members and contemporaries within the industry and have seen for myself how invigorating it is for the whole Society.

Staff take enormous pride in 'their' branches and were thrilled to see them redecorated and refreshed for existing and prospective members. This is just the beginning of a new chapter for the Society and I am excited to see 2022 unfold with new projects such as membership proposition and an increased emphasis on Environmental, Social and Governance (ESG).

During this year of reinvention and transformation, and the ongoing effects and challenges of the COVID-19 pandemic, Suffolk Building Society has delivered a very strong performance.

Another year of strong growth in the Society's mortgage book has been due in part to the still-buoyant housing market. However, it's also been down to our strategy of manual underwriting and greater emphasis targeting our niche markets including self-build, buy-to-let and holiday let, as well as our increased focus on building strong broker relationships. All supported by investment in our business development team.

To address the challenges of home ownership we have re-introduced shared ownership and brought back 90% LTV products in which we have a strong and growing pipeline.

We have successfully achieved last year's mortgage growth while maintaining a high-quality service to members and intermediary customers, and still investing for the future.

Everything we do is focused on our members and our key stakeholders especially our colleagues, our intermediary partners and the local communities we support.

As always, we need to carefully balance the need to retain sufficient earnings to ensure the sustainability of the Society for the members, employees and local community, whilst acknowledging that it is crucial to invest in and grow the business to ensure relevance and sustainability.

The Society is pleased to report that retail savings balances have increased by £23.5m since last year (2020: £21.0m), and the Society opened 2,772 new accounts during the year (2020: 3,017) which included 935 new savings members. With the pandemic ongoing in the background, the Society continues to make electronic withdrawals simpler and is offering more services via email, post and telephone.

2021 has been dominated by the ongoing effects of the pandemic and we've seen supply chain challenges, rising fuel and energy costs and shortages in the labour market. This has continued to have an impact on people's health, their personal lives and livelihoods.

This has meant that keeping a branch network open has been a challenge, but I'm proud to say that staff continued to go above and beyond in this respect to ensure our doors were open for members.

An exceptional commitment to members and customers has been demonstrated by colleagues across the Society and we are so proud of what they have delivered.

We continue to focus on running the Society in the interest of our members and ensuring a sustainable business to deliver long term success.

The newly named Suffolk Building Society has benefited from our members choosing it as a safe home for their savings in a time of great uncertainty, sacrifice, and change. Our mortgage range has been upgraded and improved and our intermediary partners have supported us in greater numbers.

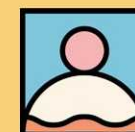
We are well placed to continue to grow our Society together in 2022. Thank you to all our team members who are making this possible. Your commitment to service and innovation continues to be outstanding.



Alan Harris
Chairman



Carbon footprint
10% smaller
2019 to 2020



**Colleague
Engagement Score**
74.6%



**8% increase in
staff headcount**



**Total regulatory
capital**
£38m

Membership

Our members are at the heart of everything we do.



Community

Our community isn't just where we are; it's how we are.



“We have embarked on a membership proposition project to bring mutuality alive through community engagement and social purpose.”

With no shareholders to answer to we're driven to do what's right for our members. And this starts with a safe home for their savings and safe homes for our communities.

This year we contacted 3,000 Child Trust Account members to explain their next steps. We are pleased to report that 26% of these funds remain with the Society (a total of £972,000).

Under 'safe homes' we reintroduced shared ownership products in September which support first-time buyers to get onto the property ladder, and in February this year we went back into the 90% LTV market. Since launching these 90% LTV products in February we have completed on 88 cases and have a further 65 still in the mortgage pipeline.

This year we have completed on 49 self-build cases and lent over £22m to those self-building; we have launched a new self-build large loan product in early 2022 supporting larger projects that are looking to borrow between £1m and £2m.

With home values still rising, from 7 December we increased our maximum loan across residential and buy-to-let products to £1m up to 80% LTV.

Our intermediary team has continued to grow the business, receiving mortgage applications through 575 broker firms and registering 970 brokers.

How we supported Suffolk communities in 2021.

£3,449

**We Care savings account
Donated to three charities**

£11,615

**Mutual Advantage savings account
Donated to nine local charities which
resonate with branches and their members**

£2,000

Suffolk Punch Trust

£5,000

**Suffolk Giving Fund, administered by
Suffolk Community Foundation**

£1,500

Suffolk County Bowls Team

£2,736

Donated to other causes

The Society also helped protect the oldest, yet critically endangered, English horse breed through a donation to The Suffolk Punch Trust, and enjoyed a slot on BBC Radio Suffolk recorded at the Colony Bay Stud.

Our Executive team-building day was spent learning bush skills in the forest with environmental charity Green Light Trust, supporting our climate change commitments as well as our wellbeing.

Staff volunteering has always featured in our DNA. This year we helped with two big 'clean ups' – helping with the Marine Conservation Beach clean in Southwold, and with the Saxmundham Green Team tidying the orchard area of the Memorial Field, planted in 2015 to commemorate 40 people from the town who lost their lives in the First World War.

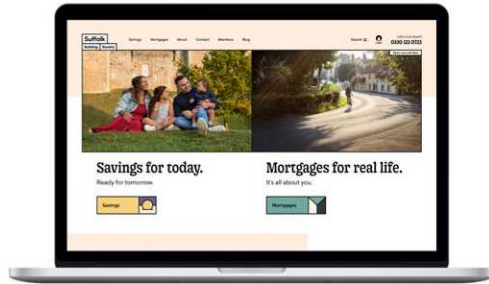
Accessibility

Our door is open and it's got real people behind it.

Our doors remained open to members 94% of the time, with just 14 days of branch closures across the year due to the pandemic and staff self-isolating or unwell. In cases of closure, members were redirected to their nearest branch, with Google and social media helping us spread the word, and of course we were always available on the phone or by email.

Along with our rebrand, we launched two new websites for the Society, with one just for the intermediary, or mortgage broker, market. Our member-facing site contains a savings and mortgage finder – allowing members to quickly find a product that's of interest to them. And we've also included plenty of online forms to contact the right teams quickly. This sits alongside lots of informative pieces around how different types of products work, and how to operate accounts.

A huge thank you to the members who volunteered to take the new website for a 'test drive' just before launch. Your feedback was invaluable! In the future, we'll be adding more functionality to the website to ensure everyone is getting the best possible experience, and we'll also be looking at how our eSavings proposition will integrate with it too.



“It’s brilliant you have branches with helpful staff open on the high street. It’s great to talk to real people.”

Aldeburgh branch review
on Smart Money People



Climate

Caring for our environment.

Safeguarding the environment isn't a new priority for us but as the climate crisis has deepened, so has our commitment to doing our bit. We want to reduce our carbon emissions from our operations to net zero by 2030 – which exceeds the UN's own target of 2050 and aligns with Suffolk County Council's 2030 target.

So far we've...

- Installed solar photovoltaic (PV) panels on the roof of our Head Office.
- Installed low energy LED lighting within Head Office and across several branches.
- Installed energy efficient air source heat pump units (to provide heating and/or cooling) at all sites.
- Installed recycling collections at all sites for paper, card, plastics and cans plus glass recycling at Head Office.
- Discontinued use of disposable plastic cups and strongly discouraged unnecessary printing.

...and what that means in numbers

2018 – 59.5 (tCO2e) footprint

2019 – 45.0 (tCO2e) footprint

2020 – 37.3 (tCO2e) footprint

Net zero by 2030

To achieve our target we are considering the following:

- Install Solar/Boost immersion at our Head Office, to improve the efficiency of our heating from a sustainable source.
- Install extra insulation at our Head Office and branches.
- Purchase 100% renewable electricity by the end of 2024.
- Move from gas to electricity heating within our branch network.
- Switch to electric car and electric van when appropriate to do so.
- Install charging points at Head Office within the next year, to help encourage staff to buy electric cars.
- Review the possibility of installing Solar PV panels to those branch premises owned by the Society.

We will also be developing financial products that can have a positive impact on members' climate footprints and we look forward to sharing these plans soon.

Recognition for our environmental safeguarding.

In May 2021 we were awarded a Silver Award by the Suffolk Carbon Charter in recognition of our endeavours.

“The Silver Level is only awarded to organisations that, in addition to implementing measures to manage and reduce energy use, have implemented measures leading to clear reductions in carbon emissions.” Carbon Charter



Summary Financial Statement.

This Financial Statement is a summary of the information included in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on demand at every office of Suffolk Building Society and online from Friday 18 February 2022.

The Summary Financial Statement was approved by the board of directors on Thursday 3 February 2022.

Summary Directors' Report

For 172 years the Society has been bringing savers and borrowers together for their common benefit: offering simple and straightforward savings products to investing members and providing mortgages so that borrowing members can buy a home.

Business Review

The Society ended the year with a profit before tax of £2.9m (£1.9m in 2020). The Society's total retail savings have grown significantly by £23.5m to £648m, the majority of which flowed inwards during the first half of the year. The Society's mortgage asset increased by £47.0m from the prior year.

Keeping the Society's branch network open to members throughout the ongoing COVID-19 pandemic, while rolling out a name change to Suffolk Building Society has been a superb achievement. Refreshing the livery across our branches and creating two new websites was no mean feat and the Directors would like to express their sincere thanks to all Society employees during unprecedented times.

As part of the Society's digital improvement journey, we have invested in implementing a new mortgage origination system. When rolled out in 2022, this will give us more flexibility with product features and allow us to react quicker to market changes.

Looking Ahead

The Directors are committed to ensuring the long-term sustainability of the Society with a three-year corporate plan dedicated to remaining an independent mutual society.

Despite solid retail inflow this year the Society, like its fellow mutual societies, faces the dual threat of an ageing membership base and digital competition. As

we introduce digital savings, our high street branch proposition must remain relevant and therefore sustainable for the long term.

In early 2022 we will embark on a focused programme to bring mutuality alive through community engagement and social purpose. By being member-led, focused on developing member relationships and targeting key life moments, we will achieve differentiation through clear and relevant social purpose supported by active community engagement.

The Society's digital improvement journey will continue in 2022 with a project that will look at how the Society's branch network and a new e-Savings offering will complement each other, ensuring a consistent experience whether members are in branch or online.

Mortgage assets and mortgage advances

The Society's lending proposition is to provide mortgages through a network of approved mortgage brokers, as well as directly from the Society. The Society does not use credit scoring as all loans are individually underwritten.

The Society had a strong and consistent mortgage performance across the year and its mortgage book increased by £47.0m.

The Society is entering 2022 with a strong pipeline of a similar level to the beginning of the previous year.

Arrears

The Society arrears levels currently remain low and below the Society's risk appetite. The Society has a dedicated arrears team to sympathetically support members with payment difficulties and aims to agree sensible and affordable payment arrangements wherever possible to enable them to manage their payments.

At 30 November 2021 there were 17 (2020: 13) mortgage accounts where the arrears were the equivalent of 12 months payments or more. The total amount of principal outstanding in these cases was £2.3m (2020: £1.8m). The increase is largely due to the COVID-19 moratorium earlier in the year and subsequent backlog in Court Hearings.

We had 12 accounts in 2021 that were able to exit forbearance measures and either resume normal payments or redeem the account.

Retail Savings Balances

The Society is pleased to note that retail savings balances have increased by £23.5m since last year (2020: £21m), the Society opened 2,772 new accounts during the year (2020: 3,017).

Despite another unsettled year the Society attracted 935 new savings members. Total membership now stands at 66,708. However, net new accounts for the year were negative.

Profit for the Financial year

The Society achieved a profit before tax of £2.9m, versus £1.9m in the previous year. This has meant we have been able to add to capital and the additional profit will be reinvested into the Society for the benefit of members.

The Board remains confident that the Society can remain profitable over the three-year corporate plan period which will build the capital required to support the growth of the mortgage book at a rate faster than the rate of growth of management expenses.

Management Expenses

In 2021 the level of management expenses was £10.8m. Continued focus and Management attention on costs is vital this year, particularly as the Society continues its digital improvement journey.

Capital

The Society's total regulatory capital is £38 million, an increase of £1 million on the previous year. The capital position therefore remains strong, giving the Society a sound platform from which to grow further. Tier 1 capital ratio was 14.1%, a decrease from 14.5% at November 2020, primarily as a result of the increase in mortgage assets.

Community

The Society has a strong commitment to social responsibility in all its forms. The Society continues to offer matched funding to employees for personal sponsorship of local charities and volunteering when safe to do so.

Through its charity accounts We Care and Mutual Advantage the Society supported an additional 12 Suffolk charities, which all strongly resonate with members, from search and rescue and food banks, to the arts and medical research.

Climate Change and the Environment

As part of our commitment to our local community and the climate emergency we've ramped up the measurement of our environmental impact and looked at ways in which we can reduce it. The Society was once again awarded the Silver Suffolk Carbon Charter Award in 2021 as recognition for the measures we have implemented to reduce our carbon emissions, however there is more to be done.

We have committed to reduce our carbon emissions from our operations to net zero by 2030 – which exceeds the UN's own target of 2050 and aligns with Suffolk County Council's 2030 target.

Customer Satisfaction

This year we introduced an external customer review service – Smart Money People – where members and brokers leave feedback on our products and service levels. The dashboard delivers high quality competitive benchmarking.

Summary Financial Statement.

For the year ended 30 November 2021

Results for the year

	2021 £000	2020 £000
Net interest receivable	13,494	12,011
Other income/(charges)	68	34
Net income/(charge) from financial instruments at fair value	371	10
Administrative expenses	(10,809)	(9,896)
(Increase)/Decrease in provision for impairment losses on loans and advances	(187)	(244)
Profit for the year before taxation	2,937	1,915
Taxation	(809)	(327)
Profit for the financial year	2,128	1,588

Other comprehensive income

Actuarial gain/(loss) recognised in the pension scheme	72	(183)
Movement in related deferred tax	(17)	35
Movement in fair value of debt securities	(4)	29
Movement in related deferred tax	(1)	(5)
Revaluation gain on freehold property	-	-
Movement in related deferred tax	(68)	(20)
Total comprehensive income for the year	2,110	1,444

Financial position at end of year

Assets

Liquid assets	122,763	119,561
Derivative financial instruments	2,641	40
Mortgages	615,388	568,354
Fixed and other assets	6,537	8,791
Total assets	747,329	696,746

Liabilities and reserves

Shares	608,043	582,019
Borrowings	94,737	72,290
Derivative financial liabilities	340	3,011
Other liabilities	4,935	2,105
Net pension liability	-	157
Reserves	39,274	37,164
Total liabilities and reserves	747,329	696,746

Summary of key financial ratios

	%	%
Gross capital as a percentage of shares and borrowings	5.59	5.68
Liquid assets as a percentage of shares and borrowings	17.47	18.27
Profit for the year as a percentage of mean total assets	0.30	0.23
Management expenses as a percentage of mean total assets	1.50	1.45

Notes to the Summary Financial Statement for the year ended 30 November 2021

1. The gross capital ratio measures the proportion that the Society's capital bears to the Society's shares and borrowings. Capital consists of the Society's general reserves which are the profits of the Society accumulated over the last 172 years. Society capital provides a financial buffer.

2. The liquid assets ratio measures the proportion that the Society's assets, held in the form of cash, short-term deposits and Government securities, bear to the Society's shares and borrowings. As liquid assets are by their nature readily realisable, this assists the Society in its cash management and enables the Society to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

3. The ratio of profit for the year as a percentage of mean total assets measures the proportion that the profit after taxation for the year bears to the average balance of the total assets during the year. A reasonable level of profit must be generated each year by the Society to maintain its capital ratios, thereby protecting investors' funds.

4. The ratio of management expenses as a percentage of mean total assets measures the proportion that administrative expenses as reported in this document (which include depreciation and amortisation) bear to the mean of total assets.

Independent auditor's statement to the members the members of Suffolk Building Society

Opinion

We have examined the Summary Financial Statement of Suffolk Building Society ('the Society') for the year ended 30 November 2021 which comprises the Results for the year, the Statement of Other Comprehensive Income and Financial Position at the end of the year, together with the summary Directors' report.

On the basis of the work performed, as described below, in our opinion the Summary Financial Statement is consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 30 November 2021 and conforms with the applicable requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

Basis for opinion

Our examination of the Summary Financial Statement consisted primarily of:

- Agreeing the amounts and disclosures included in the Summary Financial Statement to the corresponding items within the full annual accounts, Annual Business Statement and Directors' Report of the Society for the year ended 30 November 2021, including consideration of whether, in our opinion, the information in the Summary Financial Statement has been summarised in a manner which is not consistent

with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for that year;

- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 30 November 2021.

We also read the other information contained in the Summary Financial Statement and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

Our report on the Society's full annual accounts is unqualified and describes the basis of our opinions on those annual accounts, the Annual Business Statement and Directors' Report.

Directors' Responsibilities

The directors are responsible for preparing the summary financial results within the Summary Financial Statement, in accordance with applicable United Kingdom law.

Auditor's Responsibilities

Our responsibility is to report to you our opinion on the consistency of the summary financial results within the Summary Financial Statement with the full annual accounts, 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.

The purpose of our work and to whom we owe our responsibilities

This auditor's statement is made solely to the Society's members, as a body, and to the Society's depositors, as a body, in accordance with section 76 of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members and depositors 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 Society and the Society's members as a body and the Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

Daniel Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
3 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Directors' Remuneration Report.

For the year ended 30 November 2021

The purpose of this Report is to inform members of the Society about our policy on the remuneration of Executive and Non-Executive Directors. The Report explains how the Society regards the principles of the UK Corporate Governance Code relating to remuneration, as far as they are applicable to a mutual organisation of our size. The Society has adopted a Remuneration Policy, which complies with the relevant elements of the FCA's Remuneration Code and the PRA's Remuneration Policy. Directors are designated as "Code Staff" under the Regulator's Remuneration Code due to their material impact on the Society's risk profile.

The Society's overall approach to remuneration is a key part of the Society's people strategy and governance. Decisions relating to basic and performance-related pay are always intended to align with our commitment to the long-term business sustainability, values and objectives, and culture of our Society.

The Society's remuneration policy and practices are overseen by the Society's Remuneration Committee comprised solely of Non-Executive Directors. The role of the Committee (under the delegated authority of the Board) is to make recommendations on the general remuneration policy of the Society and specifically on the remuneration of the Board and Executive Team. The Society's policy is to reward Directors according to their expertise, experience and overall contribution to the successful performance of the Society and reflects their roles and responsibilities within the Society. A performance-related pay scheme operated during the year for Executive Directors. This was carefully designed to encourage achievement of targets that maintain the financial strength and integrity of the Society and the embedding of the Society's risk management framework, and to recognise performance factors that contributed to the Society's overall business and member objectives.

2021 Pay Decision

Whilst determining the approach to remuneration throughout 2021, the Committee continued to be mindful of the performance of the Society and the individual responsibilities of Directors, and the pay and employment conditions across our workforce and externally. During 2021 changes were made to the organisational design of the Society, increasing the overall head count throughout the year. The Committee

were mindful that the Society must continue to compete to attract and retain team members against other employers in both the local area and now, with the increase of remote working, further afield. In addition, the Committee continued to consider the potential impact of the COVID-19 crisis on the Society, our employees, the wider recruitment market and the economy. The Society pays at least the Real Living Wage to all employees including Saturday employees and apprentices. The basic salary ratio between our highest paid permanent member of staff and our lowest paid regular permanent member of staff is 9:1.

The Society decided to award a 1.5% pay increase to all staff in June 2021. Other salary adjustments were made for career progression or significant changes in responsibilities. Executive Directors were subject to these same terms.

Non-Executive Directors

The level of fees payable to Non-Executive Directors is assessed using information from comparable organisations (building societies of a similar size). Remuneration comprises a basic fee with a supplementary payment for holding the position of Chairman of a Committee, Deputy Chairman or Senior Independent Director. This fee reflects the additional responsibilities and time commitments of these positions. Fees for Non-Executive Directors are not pensionable and Non-Executive Directors do not take part in any incentive scheme or receive any other benefits. Non-Executive Directors do not have employment contracts with the Society.

The Executive Team and the Chairman are responsible for setting the Non-Executive Directors' fees. The Board, with the exception of the Chairman, agrees the Chairman's fee each year.

Executive Directors

The remuneration of Executive Directors reflects their expertise, responsibilities and roles within the Society. The Executive Directors' benefit package is designed to motivate decision making in the long-term interests of the Society and its members. This year it comprised basic salary, participation in a three-year performance-related pay scheme and various benefits. Further details of these are set out above. The Society has no share option scheme and none of the Executive Directors has

Non-Executive Directors

	2021 Fees £000	2020 Fees £000
P Elcock (retired 24 March 2020)	N/A	11.0
A Harris (Chairman)	47.5	46.5
S J Reid (Deputy Chairman)	33.5	31.9
E Lenc	31.0	28.6
S Liddell	31.0	30.5
F Ryder	29.0	28.5
S Hill (appointed 1 April 2020)*	29.4	17.3
Total	201.4	193.4

Executive Directors 2021

	Salary £000	Performance related pay Payable now £000	Deferred £000	Benefits £000	Sub Total £000	Pension Entitlements £000	Total £000
R Norrington (Chief Executive Officer)	177.2	17.9	8.9	23.9	227.9	35.4	263.3
P Johnson (Chief Financial Officer)	148.1	7.5	3.7	13.2	172.5	25.9	198.4
I Brighton (Chief Operating Officer)	116.8	11.8	5.9	10.3	144.8	20.5	165.3
Total	442.1	37.2	18.5	47.4	545.2	81.8	627

2020

R Norrington (Chief Executive Officer)	175.9	17.6	8.8	25.3	227.6	35.1	262.7
P Johnson (Chief Financial Officer)	63.5	6.1	3.0	5.7	78.3	11.1	89.4
I Brighton (Chief Operating Officer)	108.5	5.8	11.6	11.4	137.3	18.9	156.2
T Slater (resigned 28 May 2020)	60.4	–	–	10.1	70.5	10.5	81.0
Total	408.3	29.5	23.4	52.5	513.7	75.6	589.3

*Remuneration for S Hill includes an element of contractually owed back pay from the 2020 financial year.
R Norrington and P Johnson have elected to receive cash payments in respect of pension entitlements.
Benefits include health care, car allowance and travel allowance.
Total Directors' remuneration amounted to £828.4k (2020: £783.6k).

any beneficial interest in, or any rights to subscribe to, any instruments, or shares in or debentures of, any connected undertaking of the Society.

Basic salary

Salaries are reviewed by benchmarking against jobs carrying similar responsibilities, from external data from the building society sector and the financial services sector as a whole, as well as other UK and regional salary data. This encompasses consideration as to the responsibility and complexity of the role, market conditions and demands, and the Society's very high-quality standards. In 2020 the Society commissioned an external remuneration package benchmarking exercise to be undertaken by Mercer. The results

of this benchmarking are being used to assess the appropriateness of the remuneration package awarded to Executive Directors.

The Society's approach is not to compromise on quality standards, and to seek to secure the best and most appropriate people for any particular role at a rate of remuneration consistent with the Society's financial, business and member objectives.

Three-year performance-related pay scheme

The PRP currently allows a maximum of 20% of salary earned for achievement of all targets set, which for 2021 were cost management, capital and member and broker satisfaction metrics, and which are subject firstly to meeting defined financial performance and risk management criteria. At least one third of this payment is deferred for up to a three-year period to ensure long-term performance. Next year, the criteria for achievement will include elements related to the Society's progress regarding diversity and inclusion and progress of its Environmental, Social and Governance (ESG) agenda.

As part of the process, the Remuneration Committee sets targets and assesses whether any payment should be made prior to recommendation for Board approval. Whilst the Society achieved all measures set out within the performance-related pay scheme set for this year, the Remuneration Committee took the decision that the variable award should be reduced from 20% to 15%. This acknowledges the commitment of the Executive Directors but also recognises the economic uncertainty affecting the Society and its members.

Pensions

The Society makes a contribution of between 17.5% and 20% of salary for Executive Directors' pension arrangements. For Richard Norrington and Paul Johnson this is in the form of a cash equivalent payment. The levels of pension contributions are kept under review by the Remuneration Committee.

Benefits

Executive Directors receive other taxable benefits including a car allowance, travel and accommodation allowance when on Society business and a private health care scheme, which covers the Directors and their families. The Society does not provide concessionary home loans to Directors.

Contractual terms

The Executive Directors are employed on open-ended service contracts; they require 12 months' notice to be given by the Society and six months' notice by the individual.



At the core of
our community
are our 161 staff.



A Year in Pictures.



'Reinvention'
is how we will
remember 2021.

Our Branches.

Aldeburgh

103 High Street
Aldeburgh
IP15 5AR
Tel: 01728 453840

Haverhill

16a High Street
Haverhill
CB9 8AR
Tel: 01440 710720

Saxmundham

10 High Street
Saxmundham
IP17 1DD
Tel: 01728 603876

Hadleigh

94 High Street
Hadleigh
IP7 5EL
Tel: 01473 827373

Ipswich (Town Centre)

Mutual House
2 Princes Street
Ipswich
IP1 1QT
Tel: 01473 230211

Sudbury

10 Market Hill
Sudbury
CO10 2EA
Tel: 01787 375388

Halesworth

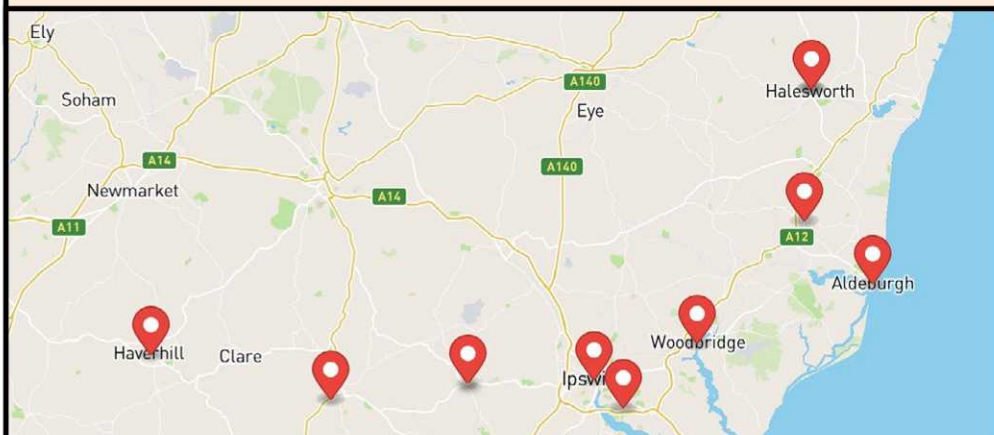
61 Thoroughfare
Halesworth
IP19 8AR
Tel: 01986 875133

Ipswich (Ravenswood)

46 Hening Avenue
Ipswich
IP3 9QJ
Tel: 01473 273736

Woodbridge

24 Thoroughfare
Woodbridge
IP12 1AQ
Tel: 01394 380537



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