



Members' questions and comments for the Board - March 2023.

Why such a large difference between interest rates for borrowers and savers?

There will of course always be a difference between a building society's mortgage and savings rates - that is how we fund the cost of running the Society, cover the risks associated with mortgage lending and invest in the Society's future. We constantly monitor the market to ensure that our savings and mortgage rates are competitive, and in fact the value of our gross mortgage applications increased by 31% last year compared to the year before and our net savings inflow increased by 43%.

Any chance of a branch in North Suffolk? Beccles looks good, ex-banking property available.

We have nine branches and one agency in Suffolk. We are committed to maintaining our local presence and serving our local community but we do have to balance this with managing our expense base, to ensure that we can also continue to provide competitive products for our members. We therefore do not have any current plans to open new branches but we are actively looking at how we can best serve as much of the local population as possible.

I'm sorry to see that you are supporting the Martlesham Wilds project, which is taking valuable arable land out of use. We should be striving in this country to be self-supporting in food, and the Wilds project will only encourage more food to be imported (at a cost of energy and CO2 emissions). Please would you explain your thinking behind your support of the project.

As a Society, we endeavour to work with organisations that are expert in their own areas, which is why we collaborated with Suffolk Wildlife Trust as part of our Saving Suffolk campaign.

As a Wildlife Trust in a farming county, the decision to transform the land from an arable farm to a nature reserve is one that Suffolk Wildlife Trust's Board of Trustees discussed in relation to this land purchase, and the Trust's work in general.

For the Trust, the location of Martlesham Wilds on an estuary of international importance for wildlife is what sets it apart. With the high value habitats along the estuary fringe and the connectivity this gives to the wider landscape this is an area where the Trust believes nature should be given precedent and allowed to flourish and spread.

Suffolk Wildlife Trust's nature reserves are only one part of the work and they are equally focussed on supporting farmers to farm with nature. Suffolk Building Society and Suffolk Wildlife Trust agree that it is essential that we continue to farm much of Suffolk. The Trust works with farmers on how to do that sympathetically for wildlife. The Trust has a team of advisors working with farmers and landowners across the county who wish to farm in ways that help wildlife.

One of the biggest challenges for nature in Suffolk is the amount of land managed with nature in mind. The Trust estimates 72% of the county's land area is under arable production, 13% is under other farming including pasture and orchards and just 2% is nature reserve. It's therefore important to create areas of high bioabundance within the wider farmed landscape. This creates the connectivity for species to disperse and recolonise areas where they have been lost.

The Trust recognises that, while there may be different views on what approach to take, there does seem to be consensus that it's possible to grow enough food profitably and sustain an environment where wildlife can flourish. There can be no farming without nature, and pockets of bioabundance. Martlesham Wilds will have a vital role to play within a more resilient, farmed landscape.

In view of continuing bank closures is it not time to extend the number of branches in Suffolk? Why is directors pay such a disproportionate cost to the size of the expense account? In view of the need to be environmentally friendly why is the electronic board in Hadleigh branch not switched off at night, there are no viewers at 4 am in the morning.

New Branches - We have nine branches and one agency in Suffolk. We are committed to maintaining our local presence and serving our local community but we do have to balance this with the need to manage our expense base, to ensure that we can also continue to provide competitive products for our members. We therefore do not have any current plans to open new branches but we are actively looking at how we can best serve as much of the local population as possible.

Director pay - The Society is required to pay an appropriate level of salary to attract the right quality of employee to run the Society for the benefit of its members. Our pay review decisions are regularly benchmarked across the industry and always mindful of the external environment, the performance of the Society and the individual responsibilities of the Directors.

Board at Hadleigh - This is a very good point and thanks for raising it. We have now arranged for all of our boards to be switched off overnight.

I see you have a performance-related pay scheme for directors. Why do you not have the same for all your other staff? This seems very unfair.

In 2022, the Society has also paid a bonus for grades A-D employees which was based on individual performance. In addition, all employees received a salary increase of 4%, the largest annual increase in recent years. A one-off payment of £1,000 was also made to the majority of employees to assist with the escalating costs of living over the winter months. Decisions relating to basic and performance-related pay are always intended to align with our commitment to the long-term sustainability of the business, values and objectives, and culture of the Society.

Any chance of managing accounts online in future?

We have started a project to launch an online savings service later this year. This will be rolled out in phases and will give members more choice over how they manage their accounts with us in the future. If you wish to receive details of this nearer the time then please ensure that you've provided us with your email address and confirmed that you are happy for us to send you marketing information.

When will the Board stop paying all bonuses? Bonuses for Executives suggest they will not give 100% effort to the Society unless their already huge salaries are made bigger. Greed, which is quite unnecessary, and shows them up in a very bad light. What do you think ordinary people think of these Executives as they struggle with the cost of living?

Decisions relating to basic pay and performance-related pay are always intended to align with our commitment to the long-term sustainability of the business, values and objectives, and culture of the Society.

The Executive Director benefit package is designed to motivate decision making in the longer-term interests of both the Society and its members.

Will there be any planned branch closures?

We currently have nine branches and one agency in Suffolk. We are committed to maintaining our local presence and serving our local community and we currently have no plans to close any branches.

Are you considering introducing shares isas into you itinerary as I and other people would be very interested in investing Thankyou.

We do understand that, especially in the current climate, members may be keen to consider different types of investments. We do not have current plans to launch a shares ISA but we are constantly reviewing our product range.

When are you going to get the computer system up allowing transfers or payments to be made promptly and not rely on mail/cheques etc. This has been going on far too long now.

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I would like to know when online access for accounts will be available?

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Congratulations to the Board and the entire team for continuing to provide an excellent standard of service to members during a challenging year. I much appreciate the "bricks and mortar" presence of Suffolk Building Society on Aldeburgh's High Street, and I am proud to be a member of the Society. Thank you.

Thank you very much for your kind feedback, which we will ensure is passed on.

what is the chairman's view on interest rate movements for the year ahead?

After the market dislocation and extreme volatility following last October's 'mini-budget', we are now starting to see interest rates come down a little as is evidenced by SWAP curves and the emergence of lower 2 and 5 year fixed rate mortgage products than 6 months or so ago. Whilst market sentiment and most respected commentators seem to think that the future will bring lower rates, this is dependent on inflation being brought under control, which it seems is slowly becoming the case.

However, the Silicon Valley Bank failure in the US and the small contagion effect on other US secondary banks has brought further jitters, albeit the US President has assured US citizens that their money is safe.

Given that borrowers are faced with increased living costs which board members feel completely justified in taking their full remuneration?

We recognise the difficulties faced by borrowers in the current economic climate. Decisions relating to board members fees are aligned with our commitment to the long-term sustainability of the business, values and objectives, and culture of the Society. Fees are regularly benchmarked against similar size organisations.

What will happen to my savings in the event of a bank bail in please.

All savings up to £85,000 are protected by the Financial Services Compensation Scheme ('FSCS'). An FSCS factsheet with more details of the Scheme can be found on our website by clicking on the 'Protecting Your Money' badge at the bottom of the home page.

Could you open a branch in Bury St Edmunds?

We have nine branches and one agency in Suffolk. We are committed to maintaining our local presence and to serving our local community but we do have to balance this with the need to manage our expense base, to ensure that we can also continue to provide competitive products for our members. We therefore do not have any current plans to open new branches but we are actively looking at how we can best serve as much of the local population as possible.

Please make interest only mortgages cheaper for oap's who have substantial equity.

We are actively involved in Later Life Lending, and in fact our offering to later life customers was noted by a mortgage specialist on ITV's The Martin Lewis Money Live show recently. Our teams work closely with borrowers and brokers to look at multiple sources of income – and that, combined with the fact that we have no upper age limit at the end of the mortgage term, really helps us support older borrowers. We do understand your specific concern though and we will take your request into consideration when we are next reviewing our product range.

Could you please open a branch in Bury St Edmunds so people don't have to travel to Sudbury ? Thank you.

We have nine branches and one agency in Suffolk. We are committed to maintaining our local presence and to serving our local community but we do have to balance this with the need to manage our expense base, to ensure that we can also continue to provide competitive products for our members. We therefore do not have any current plans to open new branches but we are actively looking at how we can best serve as much of the local population as possible.

Are there any plans to introduce online banking? It is pretty inconvenient to use the call centre.

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My comment to you is about your staff and how patient kind and helpful they all are especially to an old duffer like me.

Thank you very much for your kind feedback.

When will you come into the 21st century with internet access for accounts?

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Will there be online access to accounts in future?

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Thank you for running an efficient Building Society and it's good to see interest rates rising on my savings accounts.

Thank you very much for your kind comments.

Excellent company.

Thank you very much for your kind feedback.

How are the performances of non-executive directors assessed? Related to this, does the board feel they give value for money?

The Society evaluates the performance and effectiveness of individual Non-Executive Directors annually through an appraisal process, overseen and run by the Chairman (who is also subject to the same process), which includes a 360-degree review and benchmarking against other NEDs. External Board effectiveness reviews are also conducted, with the next one taking place in 2023.

The Non-Executive Directors have a wide range of backgrounds to ensure that the Board has the appropriate skills, knowledge and experience. The Society's pay review decisions are regularly benchmarked across the industry and always mindful of the external environment, the performance of the Society and the individual responsibilities of the Directors.

Why when the Bank of England increases interest rates on savings you do not increase your rates straight away. But when the bank cuts them you cut your savings rates much quicker. To me this is unfair.

When we respond to Base Rate changes, we consider the potential impact on both mortgage borrowers and savings members. Since last December's BBR change, whenever we have announced an increase in our SVR, we have also announced changes to savings rates at the same time. At present, we have increased our variable rate savings products by .07% more than we have increased SVR.

For a number of years, the Society has indicated that online access to members' existing savings accounts was in the pipeline. This has been mentioned in your Report and Member Review as a deliverable for 2023. I appreciate this has been a costly and frustrating project but what is the likelihood of this actually being achieved and if so, to what extent?

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How much was spent to purchase Mutual House. & how much to change from Ipswich To Suffolk. & how many more staff have been employed in the last 5 years?

1- The purchase price for Mutual House was £550k.

2- The external creative costs, which include developing the new brand guidelines, completing the main design work and photography, were around £67,000. Most of the additional work, such as refurbishing branches, relaunching our website and printing new stationery, was already planned to be incurred as part of the Society's general running costs and business as usual activity.

3- The Society employed 133 staff as at the end of November 2017, rising to 162 by the end of November 2022 (an increase of 29).

Online account access ASAP please!

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Why don't I get dividend if I am a share holder?

As a mutual organisation, the Society does not have shareholders and our members are our owners. As a saver or borrower, members are part of our community and membership means more than just being a customer. We want you to have your say on how the Society is run, to welcome you along to our exclusive events and to get involved with our sponsor partners.

Can consideration be given to opening a branch in Diss (IP postcode) or establishing some online functionality please.

We have nine branches and one agency in Suffolk. We are committed to maintaining our local presence and to serving our local community, but we do have to balance this with the need to manage our expense base, to ensure that we can also continue to provide competitive products for our members. We therefore do not have any current plans to open new branches, but we are actively looking at how we can best serve as much of the local population as possible. We have started a project to launch an online savings service later this year. This will be rolled out in phases and will give members more choice over how they manage their accounts in the future. If you wish to receive details of this nearer the time, then please ensure that you've provided us with your email address and confirmed that you are happy for us to send you marketing information.

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I fear that interest rates offered on savings accounts are slipping compared to other small building societies. This is a shame, as being local, I would like my money to support my local Suffolk Building Society. I would ask the board to strive to keep the society competitive and encourage money into the Society, in the hope that this can support mortgage applications for local people and reward local savers.

The market has been particularly volatile this year, as a series of increases in bank base rate have prompted a lot of movement in mortgage and savings rates. As a result, our position in comparison to our competitors will inevitably have changed from time to time. We do however regularly review our products to ensure that we are competitive, and also to ensure that we balance the interests of our mortgage members and our savings members. We have actually increased our savings rates by more than we have increased our SVR since the first of this series of BBR increases last December, and our savings inflow is ahead of plan so far this year.

Why with your expat mortgages do you not consider more foreign currencies. It makes it very hard for anyone who has a UK property, needs a UK mortgage but works and is paid in a non sterling market. Even when a constant salary can be proven, in my case in Czech koruna.

We choose a cohort of currencies that are popular amongst the expat community, have been historically stable against GBP and are comparable within the wider expat mortgage market. We also have to allow for potential currency fluctuations within our assessment as per regulatory guidance. We conduct a regular review of currencies and amend the list of acceptable currencies based on this criteria.

Are all your loans covered by the deposits of members? If not what % is borrowed from the money markets? What % of your mortgages are 90 or 95% LTV This next question only applies if any money lent out is sourced from the money markets. On a £500,000 property with a £100,000 deposit, and a £400,000 mortgage, of which a £100,000 portion is from the money markets. What value is termed "assets under management" in your prospectus. Is it 400k or 500k. Turbulent times. I need to know whether our money is safe . We have more than £85k each in the society.

All our loans are covered by member deposits. The Society's balance sheet is carefully managed to ensure the safety of our members' deposits and to meet all regulatory requirements. We have a well embedded Risk Management Framework which facilitates the close management and control of all risks. We do not currently have any borrowings from the Money Markets and we do not plan to acquire any. Regarding the percentage of mortgages at 90 or 95% LTV, please see Note 28 of our financial statements, which includes an analysis of the mortgage book by LTV.

I am very pleased we still have a branch in Woodbridge. It makes it a lot easier to deal with money matters rather than by computer. It's a shame the name of the society was changed. I was not informed at the time. How much did the change of name cost the members?

Thanks for your comments about our Woodbridge branch – we appreciate that many members prefer to deal with us face to face and we are committed to maintaining our local presence across the county. Our change of name to Suffolk Building Society was put to members in 2020 and members voted overwhelmingly in favour of this change. Our rebrand then took place in November 2021. We did publicise the change in advance via social media, and on our website and in branch windows as well as mentioning it on statements and correspondence. The external creative costs, which include developing the new brand guidelines, completing the main design work and photography, were around £67,000. Most of the additional work, such as refurbishing branches, relaunching our website and printing new stationery, was already planned to be incurred as part of the Society's general running costs and business as usual activity.

Why don't you give the girls a pay rise they're great.

In 2022, all employees received a salary increase of 4%, the largest annual increase in recent years. The Society also paid a bonus for grades A-D employees based on individual performance. A one-off payment of £1,000 was also made to the majority of employees to assist with the escalating costs of living over the winter months.

Please provide an update on the online platform, Community engagement and how you're helping/initiatives with the cost of living crisis.

Online platform: We have started a project to launch an online savings service later this year. This will be rolled out in phases and will give members more choice over how they manage their accounts in the future. If you wish to receive details of this nearer the time then please ensure that you've provided us with your email address and confirmed that you are happy for us to send you marketing information.

Community engagement: In 2022, we undertook research with both existing and prospective members to identify the issues they felt mattered most to them. As a result, the Society has focussed on two challenging priorities through our community engagement work: providing safe homes and protecting nature. We have established strategic partnerships with key charities to ensure we maximise our impact. These include Suffolk Wildlife Trust, Ipswich Housing Action Group, Emmaus Suffolk and Lighthouse. Between them, these charities help to protect local nature and support those who may not have access to a safe home – whether that's through the threat of homelessness, social isolation, or domestic abuse. Furthermore, our own Financial Education programme is being delivered to young people in schools across the county, and elements of it will also be deployed through our partner charities to support those who need it.

Cost of living crisis: We have set up a cost of living helpline, which is on our website, so that members can easily contact us if they wish to explore ways in which we can help with mortgage payments. We also created a Payment Shock Taskforce in December 2022 to proactively contact mortgage maturity customers whose monthly payment may increase by more than £200 per month. Arrears cases are at the lowest levels seen in some time and the Society has not yet had an increase in enquiries or payment difficulties due to cost of living or interest rate rises. We are of course very conscious of the pressures affecting all our members and we take care to balance the needs of mortgage and savings members when we make decisions regarding interest rate changes. Since the first of the recent increases in Bank Base Rate, back in December 2021, the Bank Base Rate has increased by 3.9% and we have increased our Standard Variable Mortgage rate by 2.2%. Against that, we have increased our variable savings rates by around 2.27% in response to BBR changes.

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