



# Suffolk Through and Through - Review of the Year 2023.

Including Summary Financial Statement for  
Year Ended 30 November 2023

**Suffolk**

**Building**

**Society**

# A Year in Pictures.



March: Our Sudbury staff went back to school to speak with Year 11s at Stour Valley Community School about savings, budgeting and borrowing money.



On 22 March 2023, we held our 173rd Annual General Meeting (AGM), welcoming a total of 385 members and guests in person and online.



April: Our Head Office dressed up in blue and white to celebrate the promotion of our local team, Ipswich Town FC, to the Championship. We've advertised at Portman Road for decades!



In April, Key Account Manager Andrew Sadler ran the London Marathon to raise money for Suffolk Mind.



Staff loved meeting members of the local community at the 184th Hadleigh Show in May.



May: We ran a children's colouring competition to celebrate the Coronation of King Charles III. Our youngest winner collected her prize at our Ravenswood branch.

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## You are Invited.

AGM and evening with Miranda  
Krestovnikoff, 27 March 2024  
at Trinity Park, Ipswich, Suffolk

[suffolkbildingsociety.co.uk/agm-2024](https://suffolkbildingsociety.co.uk/agm-2024)

# Chair's Review.

This year the headlines have been dominated by continuing inflationary pressure, rising interest rates and cost of living increases. The Society has weathered these challenges well, thanks to a strong product strategy balanced with a pragmatic approach to lending and looking after members' savings. We've responded to changes in market conditions, while maintaining service levels.

We have continued to invest in our Society and have made good progress in digital transformation across both lending and savings. The introduction of our online savings platform has been a particular highlight of the year.

We continue as a fiercely independent mutual society, with both digital and face-to-face customer service at the heart of our savings model and an excellent reputation and positioning within the intermediary market for mortgages.

## **Financial Performance**

The Society has successfully navigated macroeconomic instability, with stubborn inflation, a cooling of the housing market and volatility in interest rates.

The run of fourteen successive Bank of England Base Rate rises from 16 December 2021 finally came to an end on 3 August 2023 when the Bank of England held rates. At the end of this financial year, rates were falling industry-wide across both mortgages and savings.

The Society retained a significant amount of business on its mortgage book as borrowers sought to lock into rates in a rising interest rate environment. The Society changed its retentions process to support borrowers, allowing them to switch up to three months ahead of their maturity date.

Within the savings business, this year has seen investing members seeking out the most competitive rates on savings accounts, and in response, in addition to launching new fixed rate products, the Society has increased variable savings rates on more occasions than it has raised its mortgage Standard Variable Rate.

As ever, we have continued to balance the needs of both our savings and mortgage members.

## **Regulatory Changes**

In July, the UK's new Consumer Duty came into effect. This duty sets higher and clearer standards of consumer protection across financial services.

While the Society has always put members first and aims to deliver excellent customer outcomes, we welcomed the implementation of the Consumer Duty regulation across our working practices.

Also in July, the Mortgage Charter was introduced to ensure that those struggling with mortgage payments are supported, and the Society signed the Charter at the earliest opportunity. It was reassuring to see that many of the options available under the Charter to those struggling with their mortgage payments already existed for our members.

To date, the Society has seen little uptake of the options available under the Charter, which is a testament to the support that was already available, and our affordability and stress testing.

## **Environmental, Social and Governance (ESG)**

Huge strides have been made in embedding ESG principles across every area of the Society.

Since 1849, the Society has sought to improve the social position of the people

in our communities, so I am proud that this central mission continues to this day.

As the cost of living has become a huge concern for many, supporting the vulnerable in society has become even more important. Our social change campaign, Safe Homes for Suffolk, supports those facing, or at risk of, homelessness and domestic abuse.

The Society remains committed to its own environmental programme. We continue to actively reduce our own carbon emissions, as well as offering our mortgage customers the ability to improve the energy efficiency of their own homes. At a local level, we have supported wildlife and wilding initiatives.

More information about ESG and what it means for the Society can be found on Page 10.

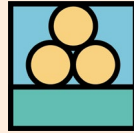
**Transformation**

As we move forward, the Society will continue its strategy of combining personalised, face-to-face service with digital solutions to enhance our customer experience.

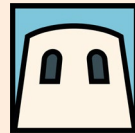
Thank you to all staff members who continue to go above and beyond to put membership at the heart of the Society. Your commitment to service and innovation continues to be one that is relevant, sustainable and hugely appreciated by members, the Board and the wider Suffolk community.



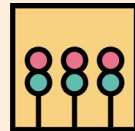
**Peter Elcock**  
Chair



**Pre-tax Profits**  
**£4.1m (£5.9m in 2022)**



**Mortgages**  
**Assets £727m**  
**(2022: £655m)**



**Savings**  
**£738m (up £56m)**



**£45m**  
**Total Regulatory**  
**Capital**

# Chief Executive's Review.

This year has seen the Society reach several significant milestones, while continuing to embed its ESG principles across its decision-making.

It gives me immense pride to have seen the Society roll out its first online savings proposition. This represented a huge moment for the Society as it aims to appeal to a wider, more diverse audience. Feedback for the online service has been overwhelmingly positive to date, and we will continue to add new products in the future.

This new digital service will enhance the experience for members now and ensure the sustainability of the Society for future generations. This seamless online service complements our branch proposition to which we are fully committed.

## **Membership and Community**

The Society's commitment to its members goes beyond the products and services it offers. We value the strong engagement we have with members and the county we call home.

While our primary use of profits is to add to capital, they are also used to benefit members and the local community through targeted charitable initiatives which have a positive impact on the people of Suffolk.

In November 2023, we increased the amount committed to our two social and environmental change campaigns, from £25,000 to £45,000. Members were asked to vote on how £10,000 of this money should be distributed, and 1,557 members participated in the vote. Lighthouse Women's Aid received the most votes.

## **People at the Society**

Our dedicated and welcoming staff are at the heart of the Society's success, and we continue to put staff wellbeing at the forefront of our priorities.

Much has been achieved this year on Diversity and Inclusion (D&I), and this work has been led by our team of 12 ESG champions.

This year we signed The Charter for Employers Positive about Mental Health, making a public declaration of our ambition to support the mental health and wellbeing of our staff.

Our inclusive and transparent culture continues to set us apart. This is evidenced by our improving colleague engagement score.

## **Environment**

Investment in environmental retrofitting has been made across our own operations, and we are leading by example in this area.

Since 2018, the Society has cut its natural gas emissions by 84.4% and electricity emissions by 40.8%.

With a Silver Award from Suffolk Carbon Charter every year since 2019 for the Society's impact at Head Office, I'm delighted that this standard has been achieved for the first time across all our operations. For a multi-site organisation of our size, this is highly commendable.

Our environmental strategy has spanned all of our propositions, from eco mortgage products to our support for wilding projects. Martlesham Wilds – the new Suffolk Wildlife Trust nature reserve we support – has proved a superb venue for member events as well as supplier team-building days.

## **Industry**

Our win for Best Building Society at the British Bank Awards in 2022 was a hard act to follow. However, we were delighted to reach the finals in February in three categories: Best Building Society, Best Specialist Mortgage Provider and Best Building Society Savings Provider.



We once again supported the Building Societies Association's UK Savings Week – a great initiative to encourage savings.

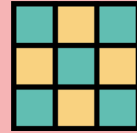
The Society has successfully rolled out a significant change agenda and carefully managed financial performance against a backdrop of continued economic uncertainty.

This has been achieved while contributing greatly to our local communities, adhering to strict governance and safeguarding the environment.

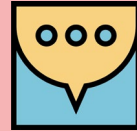
I look forward to seeing you at our 174th AGM. It is a privilege to lead this organisation, and I thank you for being a member of Suffolk Building Society.



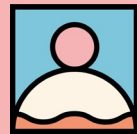
**Richard Norrington**  
**Chief Executive**



**£45,000**  
**donated to**  
**four key charity**  
**partners**



**Colleague**  
**Engagement**  
**Score**  
**77.9% (2022: 76.6%)**



**4.9/5 Smart**  
**Money People**  
**Score**  
**(All Reviews)**



## Community, Membership and Accessibility

The Society has established a clear mission statement and a set of values which articulate our commitment to be a safe home for savers and to provide safe homes for our communities. We set ourselves apart from banks and online savings platforms and attract members that share our values.

Listening to the views of members, learning what they want from us, is fundamental to our long-term success. This goes beyond products and services and extends to what we put back into our local communities.

Previously, the Society's charitable support was spread across multiple organisations. The Society believes it can make a more positive impact in the community by focusing on four strategic charitable partners. For this reason, we have made the decision to close two Affinity accounts, WeCare and Mutual Advantage.

We increased our annual donation from £25,000 to £45,000, to be shared across our four charity partners. We invited members to have their say in how £10,000 of this fund was distributed among these charities. Members engaged well with the strategy,

with 1,557 members voting. As Lighthouse Women's Aid gained the most votes, it received £5,000, with the remainder being divided equally across the three other charities.

The remaining £35,000 included £25,000 split between the four charities under the Saving Suffolk and Safe Homes Campaigns, and a further £10,000 split equally between the four charities following the closure of the Mutual Advantage and WeCare accounts.

As we grow, we continue to modernise for the benefit of our members. During 2023, we created a new team, based in Freehold House, called the Member Support Centre. This team is responsible for managing phone calls, post and emails and is now the first point of contact to manage queries relating to online savings.

We also shared budgeting tips, ran a series of Savings Basics guides and continued to be a thought leader on mortgage criteria and our niche lending areas.

Member events have been part of the Society's DNA for many years. This year, these were centred around running a series of exclusive tours to Suffolk Wildlife Trust's new nature reserve, Martlesham Wilds. These were oversubscribed and proved extremely popular.





The Society continues to bring its value of 'community' to life. This extended to a diverse audience, from celebrating the Windrush Anniversary and Suffolk Pride to local library support and a celebration of the King's Coronation.

With a library close to all our branches, and a shared commitment to serving local communities, we supported the charity Suffolk Libraries with two initiatives. We donated 1,000 refillable water bottles – made from reclaimed plastic milk bottles – to the libraries nearest to our branches. The Society also gave a home to a colourful dog sculpture, Readador, from Suffolk Libraries' PAWS-itivity fundraising campaign.

Our branches supported events at a local level, meeting families at the Hadleigh Show and backing the Woodbridge Festival of Art & Music with artwork in branch.

The Society has championed Suffolk Community Foundation's Surviving Winter Campaign since its inception 13 years ago, raising awareness and receiving donations in branches.

As part of our relaunched volunteering programme, 36 staff members have carried out 402 volunteering hours across 12 Suffolk organisations.

## Charitable Donations.

**£45,000**

**Strategic charity partners:**

- Suffolk Wildlife Trust
- Emmaus Suffolk
- Ipswich Housing Action Group (ihAg)
- Lighthouse Women's Aid

**£5,000**

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

**£9,158**

**Donated to other causes, including:**

- Prostate Cancer UK
- Suffolk Mind
- St Elizabeth Hospice

**Total: £59,158**  
**(2022: £61,387)**



## Environmental, Social and Governance (ESG)

The Society was founded in 1849 to improve the social position of the people in our communities. And this continues to this day.

The Society believes that economic growth is closely connected with the wellbeing of our society and the protection of our planet.

Much work has been done to build on the ESG framework, which we started to embed in 2022. Last year we launched strategic partnerships with four charities under the umbrella of two campaigns – Saving Suffolk and Safe Homes for Suffolk.

We have created films to articulate the purpose of each charity and how the Society's support benefits them. We will continue to put advertising spend behind these films to provide a reach for this message.

The first of these films – for Suffolk Wildlife Trust – was shown at our 2023 AGM. Three films promoting our Safe Homes for Suffolk charities were released in Q1 2024.

### **Saving Suffolk Campaign**

Through our partnership work with Suffolk Wildlife Trust, we support projects that aim to decarbonise Suffolk and provide a safe home for nature.

We began by sponsoring the Martlesham Wilds project, 289 acres of arable land purchased by the Suffolk Wildlife Trust which will be given back to nature through a wilding project.

Our film highlighting the project, viewed over 10,000 times on YouTube, has aided the Trust in reaching its ambitious fundraising target of £1m.

Highly popular member events and supplier team-building days have been arranged at Martlesham Wilds. These will continue in 2024.

As part of our commitment to improving the energy efficiency of our mortgage book, we introduced initiatives for 'green' borrowing, and we have extended our 'green' product range during 2023.

An example of this is the eco self build product range introduced in October 2023. These products further incentivised all self builders with a reduced interest rate should their finished build be Energy Performance Certificate (EPC) A or B.

**“When we make a profit it goes towards the future of the Society and doing good in our community.”**

### **Safe Homes for Suffolk Campaign**

Through our partnership work with Emmaus Suffolk, Ipswich Housing Action Group and Lighthouse Women's Aid, we are supporting projects that aim to tackle the housing crisis in the region, deliver help to those who are in debt and at risk of homelessness, and provide safe spaces for women and children under threat of domestic abuse.

We have provided funds that help the charities with core costs. 'Keeping the lights on' is a vital support to small charities; often grant funding is only provided for project work. Our funding has also gone towards basics, such as food, belongings and shelter. In addition, two members of our Senior Leadership team have used their volunteering hours to undertake trustee roles with two of these charities.

## **Our Own Carbon Footprint.**

We've received the Silver Award from Suffolk Carbon Charter every year since 2019 for our efforts at our Head Office.

In 2023 we received this award for our operations across the Society for the first time, showing we're making significant and measurable progress on carbon reduction.

We're continuing towards our goal of being carbon neutral in our own operations by 2030:

- We continue to use solar photovoltaic panels in our Head Office. During the financial year 2023, the solar panels produced 22,620 kwh (2022: 24,190 kwh). This is enough electricity to power over eight homes for a year (based on Ofgem UK average house data).
- Window film has been implemented internally and externally at Head Office to reduce heat loss/gain and increase the efficiency of our air conditioning units.
- We have sourced an electric van for use alongside our electric pool car for business travel. (New in 2023).
- Insulation has been installed in all branches and Head Office, where ceiling cavity space is available.
- We have installed low energy LED lighting across all of our branches and are planning to make further lighting upgrades to increase efficiency at Head Office. (Branch upgrades completed in 2023).
- We continue to purchase 100% renewable electricity tariffs for all branches and Head Office.
- Two electric vehicle charging points have been installed at Head Office, that feed directly from our solar panels.
- In addition to paper and certain plastics, we recycle our printer cartridges, uniforms, crisp packets and batteries.
- We have taken steps to make processes paperless where possible and are strongly discouraging any unnecessary printing.
- We have changed two of our business development managers' cars to hybrid vehicles. (New in 2023).
- We have completed upgrade work to improve the efficiency of our air conditioning system at Mutual House. (New in 2023).

The data capture for measuring the management of our carbon emissions is a continuing journey. In 2024 we will continue to work with Groundwork East to calculate our carbon footprint and include measurement of carbon in relation to different waste streams and to support us in identifying further actions we can undertake to work towards our carbon neutrality goal.

# Summary Financial Statement.

This Financial Statement is a summary of the information included in the audited Annual Accounts, the Strategic Report and Annual Business Statement, all of which will be available to members and depositors free of charge at every office of Suffolk Building Society and online from 21 February 2024.

The Summary Financial Statement was approved by the Board of Directors on 13 February 2024.

## Summary Strategic Report

Since 1849 the Society has been bringing together savers and borrowers for mutual gain. The Society's mission continues to be offering simple and straightforward savings products to investing members and to provide mortgages so that borrowing members can buy a home.

The primary strategic intent for 2022/23 was unchanged from the prior year, with the desire to steadily grow membership, mortgage balances and the savings book, while maintaining asset quality and increasing Tier 1 capital.

The Society attracts savings deposits from members and other retail customers, and uses the funding received to offer a range of mortgage products through its extensive broker network and Direct Sales team. The Society operates through nine full-service branches across Suffolk and one agency.

The Society has successfully navigated macroeconomic volatility, stubborn inflation and volatility in interest rates.

At the start of December 2022, the inflation rate (ONS CPI) was 10.5%. By the end of June 2023 this had fallen to 7.9%, and by December 2023 the figure was 4.0%. There was also a cooling of the housing market. The average price of a property in the UK in December 2022 stood at £294,329. By September 2023 this had fallen to £291,000.

## 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 rely solely upon credit scoring as all loans are individually underwritten by our underwriters.

The Society had a strong and consistent mortgage performance across the year, and its mortgage book increased by 11.1%. A total of £180m of loans completed during the year (2022: £165m) and the portfolio delivered net interest income of £18.7m. This represents an increase of 10% from the £17m in 2022.

## Arrears

The Society's arrears levels have remained low throughout the year, and we have a dedicated Arrears team to support members with payment difficulties.

At 30 November 2023, there were five (2022: 11) mortgage accounts where the arrears were the equivalent of 12 months' payments or more. Additionally, there were 19 (2022: 17) mortgage accounts where the arrears were the equivalent to two to 12 months' of payments. The total amount outstanding in these cases was £606k (2022: £1.7m) and the total amount of arrears was £79k (2022: £226k).

At 30 November 2023, the Society had two (2022: three) properties in possession. At 30 November 2023, the Society had 38 (2022: 38) mortgage accounts subject to forbearance, which equates to 0.88% by number of the total mortgage book. These mortgage accounts have a total balance of £4.3m (2022: £3.8m). 17 (2022: 15) of these cases are currently in arrears, with total arrears balances of £95k (2022: £136k). Where the Society considers there is a possibility of loss, a provision is made in accordance with the Society's policies.

## Retail Savings Balances

Our proposition has continued to be based on competitive products and on the excellent face-to-face member experience.

This year has seen investing members seeking out the most competitive rates on savings accounts, and so, in addition to launching new fixed rate products, the Society has increased variable savings rates on more occasions than it has raised its mortgage Standard Variable Rate.

As ever, we have continued to balance the needs of both our savings and mortgage members.





The Society opened 2,172 accounts with new members (2022: 1,614).

The 636 Smart Money People customer reviews we received specifically for our savings business have produced a rating of 98.4% with a Net Promoter Score (NPS) of 99.1.\*

*\*A Net Promoter Score, often referred to as 'NPS', is a measure of customer loyalty and satisfaction based on the likelihood they would recommend a company, product or service to others. The NPS score is calculated from member reviews and scores provided via the Smart Money People platform.*

### **Profit for the Financial Year**

The Society achieved a profit before tax of £4.1m (2022: £5.9m). Achieving a profit is important for the long-term sustainability of the Society because it enables the Society to add to its capital reserves and grow further. It has also enabled us to give generously to local good causes and invest strategically with our charitable partners.

The Board remains confident the Society can remain profitable over the three-year corporate plan period, which will build the capital required to support increased lending and grow net interest income at a rate faster than the rate of growth of management expenses, while still investing in the future of the Society.

### **Management Expenses**

In 2023, management expenses were £14.2m (2022: £11.9m). 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 £45m, an increase of £3m from the previous year. The capital position therefore remains strong, giving the Society a sound platform from which to grow further. The Tier 1 Capital Ratio was 15.9% at 30 November 2023 (2022: 14.6%).



# Summary Financial Statement.

For the Year Ended 30 November 2023

	2023 £000	2022 £000
<b>Results for the year</b>		
Net interest receivable	18,719	17,001
Other operating (charges)/income	(5)	90
(Losses)/gains on financial instruments at fair value	(159)	749
Management expenses	(14,173)	(11,920)
(Increase) in provision for impairment losses on loans and advances	(274)	(45)
Profit for the year before taxation	4,108	5,875
Taxation	(843)	(1,204)
Profit for the financial year	3,265	4,671
<b>Other comprehensive income</b>		
Actuarial loss recognised in the pension scheme	(125)	(552)
Movement in related deferred tax	31	138
Movement in fair value of debt securities	209	(123)
Movement in related deferred tax	(52)	30
Revaluation (loss)/gain on freehold property	(111)	144
Movement in related deferred tax	38	(27)
Total comprehensive income for the year	3,255	4,281
<b>Financial position at end of year</b>		
<b>Assets</b>		
Liquid assets	119,182	121,577
Derivative financial instruments	12,030	15,484
Mortgages	727,332	654,719
Fixed and other assets	7,994	7,577
Total assets	866,538	799,357
<b>Liabilities and reserves</b>		
Shares	703,344	637,932
Borrowings	100,108	98,658
Derivative financial liabilities	895	1,217
Other liabilities	15,218	17,762
Net pension liability	163	233
Reserves	46,810	43,555
Total liabilities and reserves	866,538	799,357

## **Independent auditor's statement to the members and depositors of Suffolk Building Society**

### **Opinion on the summary financial statement**

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 2023 and conforms with the applicable requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

We have examined the summary financial statement of Suffolk Building Society ('the Society') for the year ended 30 November 2023 which comprises the Results for the year, the Other Comprehensive Income, Financial Position at the end of the year and the notes to the summary financial statements.

### **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 2023, 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 2023.

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 statement 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 statement 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.

David Gonnelli (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
13 February 2024

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 2023

The purpose of this report is to inform members of the Society about our approach to the remuneration and financial wellbeing of all staff members, including the Executive and Non-Executive Directors, and how this is balanced with financial sustainability of the Society.

All members who are eligible to vote at the Society's AGM will have the opportunity to approve the Directors' Remuneration report, through an ordinary resolution (non-binding). The 2022 report received a 94.03% positive vote.

This report explains how the Society considers 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 its people strategy and governance. Decisions relating to basic pay and performance-related pay (PRP) 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. 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 Committee ensures that remuneration is in line with the Society's values, corporate objectives, and performance. It also oversees the Society's implementation of key values relating to D&I. When we refer to D&I within the Society, we mean having people with a wide range of different backgrounds, ways of thinking, life experiences and upbringing, all feeling valued and supported by the organisation for who they are and what they bring to the workplace. The Committee carefully monitors the Society's gender pay gap and implements any required actions.

## 2023 – Pay Decision

Since February 2022, households across the country have experienced economic pressures due to rising home energy bills, fuel and food costs. The Board recognises the significance of these factors when making pay decisions.

When determining the approach to remuneration throughout 2023, 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. The Committee was 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. The Society pays at least the Real Living Wage to all employees, including Saturday employees and apprentices. The ratio between our highest paid permanent member of staff and our lowest paid regular permanent member of staff is 10:1 (2022: 9.4:1).

In June 2023, the Executive recommended that salaries for all employees should be increased by 6% with effect from 1 June 2023. This was the largest annual increase awarded by the Society in recent years and reflects the Society's acknowledgement of the increased cost of living.

Other salary adjustments were made for career progression or significant changes in responsibilities. Executive Directors were subject to these same terms with the exception of the CEO's salary where some amounts that were previously paid as allowances are now included in base salary.

Results at the end of the year indicate that the Society achieved a strong financial performance, as well as positive customer experience scores. The Society paid a bonus for grades A–D employees, based on their individual performance throughout the year as measured via the Society's performance appraisal process. This process has been enhanced with the introduction of a Behaviours Framework, ensuring a higher bonus weighting to those employees who consistently demonstrated our core behaviours.

## Health and Wellbeing Support

The emotional and physical health and wellbeing of our employees is vitally important to us. Our people strategy has seen continued momentum this year, and our ongoing welfare programme for all colleagues is there to support them through difficult times in their lives and help them to return to work.

## 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 Chair of a Committee, Deputy Chair, Senior Independent Director or other additional responsibility. 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.

Annually the Executive team together with the Chair are responsible for setting the Non-Executive Directors' fees. The Board, with the exception of the Chair, agrees the Chair's fee.

## 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 members as a whole. This year it comprised basic salary, participation in a three-year PRP scheme and various benefits. Further details of these are set out below. The Society has no share option scheme and none of the Executive Directors has 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, using external salary benchmarking data from the building society sector and the financial services sector as a whole, as well as other UK and regional salary data. In 2023, the Society undertook an external benchmarking exercise on Executive pay which informs the level at which basic salary is set. Consideration is given to the responsibility and complexity of the role, market conditions and demands, and the Society's very high-quality standards.

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 PRP Scheme

A PRP 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, 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. The PRP scheme currently allows a maximum of 20% of salary earned for achievement of all targets set. For 2023 these were mortgage asset growth, profit target, cost management, capital, member and broker satisfaction metrics and delivery of the strategic change agenda, all of which are subject to meeting defined financial performance and risk management criteria. The Committee is also responsible for overseeing the Society's progress in relation to D&I, and its development in this area is a key consideration when deciding on PRP. At least one third of the PRP is deferred for up to a three-year period to ensure consistent performance is delivered over the longer term.

As part of the process, the Remuneration Committee sets targets and assesses whether any payment should be made prior to recommendation for Board approval.

## 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.

## 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.

## Non-Executive Directors

	2023 Fees £000	2022 Fees £000
P Elcock (appointed Chair 22 December 2022)	48.1	11.3
A Harris (resigned 22 December 2022)	3.0	48.5
S J Reid (Deputy Chair)	35.0	34.0
E Lenc	32.5	31.5
S Liddell	32.5	31.5
F Ryder	30.5	29.5
S Hill	30.5	29.5
<b>Total</b>	<b>212.1</b>	<b>215.8</b>

## Executive Directors 2023

	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)	202.9	29.3	14.7	18.5	265.4	40.6	306.0
P Johnson (Chief Financial Officer)	159.8	21.9	11.0	16.2	208.9	28.0	236.9
R Newman (Chief Operating Officer)	128.8	17.7	8.8	13.1	168.4	23.1	191.5
<b>Total</b>	<b>491.5</b>	<b>68.9</b>	<b>34.5</b>	<b>47.8</b>	<b>642.7</b>	<b>91.7</b>	<b>734.4</b>

## 2022

R Norrington (Chief Executive Officer)	182.2	24.8	12.4	29.4	248.8	36.4	285.2
P Johnson (Chief Financial Officer)	152.2	20.7	10.3	15.9	199.1	26.7	225.8
I Brighton (Chief Operating Officer) (resigned 30 April 2022)	49.1	5.3	2.7	7.1	64.2	8.6	72.8
R Newman (Chief Operating Officer) (appointed 1 May 2022)	72.9	9.7	4.9	7.9	95.4	12.8	108.2
<b>Total</b>	<b>456.4</b>	<b>60.5</b>	<b>30.3</b>	<b>60.3</b>	<b>607.5</b>	<b>84.5</b>	<b>692.0</b>

Mr Norrington and Mr Johnson have elected to receive cash payments in respect of pension entitlements.

Benefits include health care, car allowance and subsistence allowance.

Total Directors' remuneration amounted to £946.5k (2022: £907.8k).

Ian Brighton resigned as Chief Operating Officer to become Head of Credit Management and Mortgages.



# A Year in Pictures.



In June, as part of Pride Month, our branches waved rainbow flags and shared pictures of their support for the LGBTQ+ community.



The sun came out in Aldeburgh for Suffolk Day in June, as did the special logo cakes!



October: We adopted one of the Suffolk Libraries art sculpture Labradors; Readador is now living in our Woodbridge branch.



In September, visitors enjoyed a tour with the Society's Archivist, Margaret Hancock, on Heritage Open Day. Our flagship branch, Mutual House, welcomed the Mayor of Ipswich with some special themed cakes!



November: We donated 1,000 reusable water bottles to Suffolk Libraries, made in the UK from reclaimed plastic milk bottles.

# Our Branches.

## Aldeburgh

103 High Street  
Aldeburgh  
IP15 5AR  
Tel: 01728 453840

## Hadleigh

94 High Street  
Hadleigh  
IP7 5EL  
Tel: 01473 827373

## Halesworth

61 Thoroughfare  
Halesworth  
IP19 8AR  
Tel: 01986 875133

## Haverhill

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

## Ipswich (Town Centre)

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

## Ipswich (Ravenswood)

46 Hening Avenue  
Ipswich  
IP3 9QJ  
Tel: 01473 273736

## Saxmundham

10 High Street  
Saxmundham  
IP17 1DD  
Tel: 01728 603876

## Sudbury

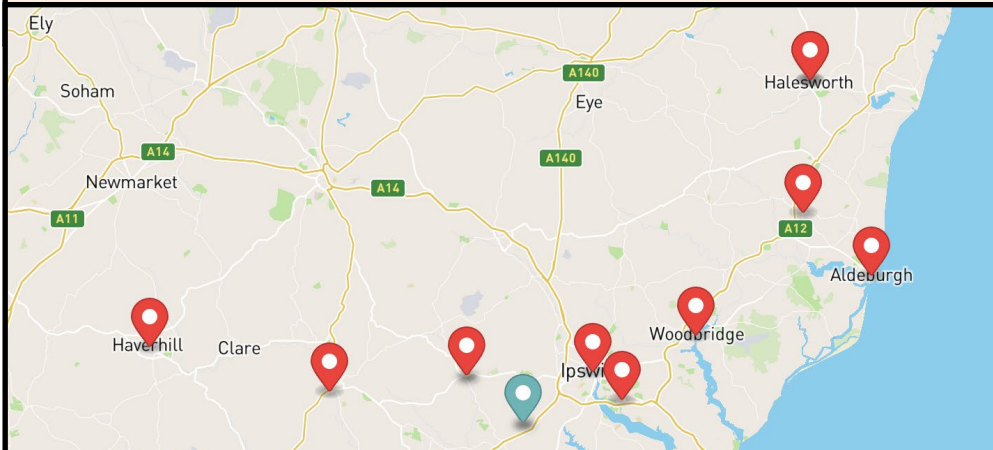
98 North Street  
Sudbury  
CO10 1RF  
Tel: 01787 375388

## Woodbridge

24 Thoroughfare  
Woodbridge  
IP12 1AQ  
Tel: 01394 380537

## Capel St Mary (Agency) ●

Drayton Insurance Services Ltd  
27a The Street  
Capel St Mary  
IP9 2EE  
Tel: 01473 708588



**Suffolk**

**Building**

**Society**

## Suffolk Building Society Head Office

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