

Peter Elcock, Chair.

Transcript of AGM speech Wednesday 27 March 2024

Good evening Ladies and Gentlemen and a very warm welcome.

Your building society was formed in 1849 and so this the 174th AGM of Suffolk Building Society.

A particularly special welcome if this is your first time at an AGM.

For those of you who don't know me, I am Peter Elcock, Chairman of the Society.

This AGM is being broadcast live online and so I extend a welcome

to those who are watching and following the meeting.

I would like to formally thank our special guest for the evening Miranda Krestovnikoff, who will be known to many of you for her TV work as a wildlife presenter and accomplished diver and who will be introduced formally later.

Miranda, we are delighted you could join us and thank you making the time to be with us this evening. We look forward very much to your talk.

There are a few points of administration I would like to mention:

- Should the fire alarm sound, please make your way carefully and slowly to the nearest exit - members of the team will show the way and provide assistance if needed.
- Please can I ask that mobile phones be switched off or turned to silent. here is a Photographer present if anyone would prefer not to be in photographs, please make a member of staff aware.

That is the end of the administrative matters and I thank you for your kind attention.

Some introductions:

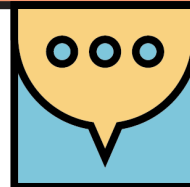
Joining me on the stage here are our Board of Directors:

- Steve Reid, deputy Chair and Chair of our Board Risk and Compliance Committee
- Fiona Ryder, Senior Independent Director
- Steve Liddell, Chair of our Audit Committee

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- Elaine Lenc, Chair of our Remuneration Committee
- Sian Hill, Independent Director
- Richard Norrington Chief Executive who you will hear from shortly
- Rebecca Newman, our Chief Operating Officer
- Paul Johnson, Chief Financial Officer

I will now summarise the agenda for this evening:

The AGM is formal part of evening where we present you, our members, the report and accounts and ask for your approval of these and for the appointment and reappointment of our Directors and Auditors.

We also ask for your approval of our Directors' Remuneration report.

I will spend a couple of minutes highlighting my thoughts about the UK economy, key aspects of the Society's performance last year and then ask you to vote on the various resolutions (If you have not already voted)

If, indeed, you have not already voted then you should have received a voting form as you arrived.

If you do not have one, please raise your hand and a member of staff will bring one to you.

Later we will collect in your voting papers and whilst the votes are counted, I will take the opportunity to announce the winner of the David Coe customer service award for this year.

I will then hand over to Richard Norrington our Chief Executive who will share his reflections on the last year.

After this we will consider questions from members including any that have been submitted online.

Finally, I will announce the results of the voting on the resolutions, before bringing the AGM to a close, following which Fiona Ryder will introduce our guest Miranda Krestovnikoff.

So, we'll now let the formal part of the AGM begin...

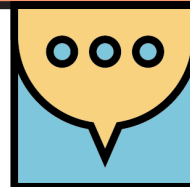
Starting with apologies for absence... 7 members have given apologies for the meeting. Names are not read out, but the list can be inspected after the meeting.

Secondly The Minutes of the Annual General Meeting held on 22nd March 2023 have been read and signed by (me) as Chair of that meeting. I will take these as read, but if anyone would like to read them, please could you indicate now.

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Thank you.

As I alluded to earlier, I will now briefly cover the UK economic backdrop, key aspects of the Society's financial and business performance, together with some personal reflections before we move to the Resolutions and Voting.

Geo-political situation, UK economy, Mortgage/Savings market conditions

The world seems increasingly more unsettled and divided, particularly in the last six months or so. It is over two years since the Conflict in Ukraine began and the situation, sadly, is showing little sign of being resolved.

It is now almost six months since the Israel and Hamas-led Palestinian conflict began, which has brought with it many deaths and human suffering, is proving divisive and has put further strain on global political alliances and relationships, not to mention raising tensions here at home.

This year – here in the UK – we will have a general election and the USA is having a presidential election which I suggest will lead to political change and global uncertainty.

Whilst the UK economy has stabilised and the outlook has improved somewhat – as I hoped at the time I was standing here 12 months ago when I talked of relatively high interest rates, unwelcome inflationary pressures and the fear of contagion in the wake of several high profile bank scandals – we still do not know where inflation is headed nor, therefore, the likely future path of interest rates, albeit these are forecast to fall slightly and level out to more 'normal' levels from next year. Indeed, the annual rate of inflation did fall last month to 3.8% from 4.2% in January.

Shortly after completing the initial draft of this speech, Nationwide announced the acquisition of Virgin Money. This a landmark transaction and we are following with great interest its development and outcome. We are hoping it will be good for the Mutual sector.

Financial performance

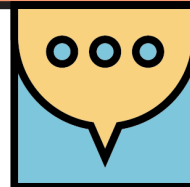
Despite all of these challenges, I am delighted to say your Society has performed very strongly once again: I am very pleased to report that profit before tax was £4.1m which, once again, has significantly fortified our capital position and further strengthened the safety of your Society.

Our mortgage book (assets) grew 11% from £655m to £727m reflecting existing and new members' appetite to do business with us; we enjoyed healthy demand for the attractiveness, differentiation and competitiveness of our products; the Society continues to remain highly liquid ie very well able to manage day to day, short term and future cash demands and any particular market related stresses; we comfortably exceed our regulatory requirements and are pleased to provide comfort and assurance to our members and savers.

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Consumer Duty

In July the UK's new Consumer Duty came into effect. This duty sets higher and clearer standards of consumer protection across financial services. Whilst the Society has always put members first and has always aimed to deliver excellent customer outcomes, we welcome the implementation of the Consumer Duty regulation across our working practices.

ESG

Environmental, Social and Governance matters – or 'ESG' as they are now grouped and collectively banded – are a high priority in all businesses and social enterprises and consume much necessary board, management and staff time and investment.

Thankfully, ESG is entirely consistent with The Society's own values, our business model, the community in which we work and the way we are governed and managed.

This last year, I am pleased to report that we have continued to make excellent strides. For example, one of our central missions – to improve the social position of people in our communities and to support personal well being – is alive and well. We are acutely aware of the 'cost of living' challenges, exacerbated by past high inflation and rising fuel, transport and utility and food costs and the influence this has on peoples' lives and how, occasionally, additional support may be required.

Our social change campaign Safe Homes for Suffolk supports those facing challenges such as homelessness and domestic abuse.

The Society remains totally committed to its own environmental programme and we are actively reducing our own emissions, as well as offering our mortgage customers the ability to improve energy efficiency in their own homes.

Locally, in Suffolk, we have continued to support wildlife and wilding initiatives to improve our environment.

Transformation/Strategic change

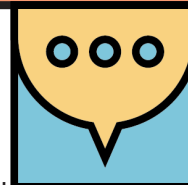
Notwithstanding our excellent financial performance, healthy business pipeline and enjoying a strong and stable financial position, we are constantly thinking about and planning for the future.

Last year, I talked, amongst other things, about (i) our plans for automation to improve our mortgage application and approval process, (ii) the introduction and roll out of a new digital 'e-savings' proposition.

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I am delighted to report that our investment in these strategic initiatives has been successful – indeed some of you will already have benefited from our digital savings products.

Looking forward, we are embracing new technology such as Robotic Process Automation (RPA) which uses new technology to make us more streamlined and efficient. This augments our face to face service proposition which provides that personal/human interface and is so important to us and our members .

We will continue to strive for first class service, attractive and competitive product offerings and our leading-member proposition.

Embracing change and rolling out improvements require significant investment, which we are able to fund from our strong profits and which, whilst attracting considerable senior management and board time and focus, will ensure we provide increased efficiencies, market leading offerings, improved business effectiveness and enhance our mortgage and savers' experience of us.

Governance

I would like to place on record my thanks to my colleagues, your board of directors and the CEO and executive management for supporting me in exercising strong governance. This is essential for the proper, thorough and correct running of our business and adherence to the corporate governance code and to meet the exacting standards set by the Regulators – and of course – the expectations of our members, partners and the broader market.

The Annual Report details the various board and executive committees we have in place to exercise proper scrutiny, oversight and the administration of our business.

I am proud to be the member of such a strong, talented, diverse and united board; each member brings their own blend of experience, expertise and specialism for the benefit of the Society. I am grateful for their support and contribution and thank them for this.

Final Reflections/Conclusions

In closing, I would like to leave you with a summary of a few key conclusions and reflections:

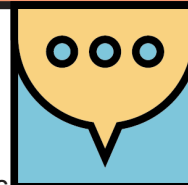
Financially – the Society is in a comfortingly strong position: profitable, liquid, with healthy capital– all of which makes us safe and stable – and with a promising business pipeline;

Looking to the future – Whilst none of us knows what the future world order will be and geo-political situation might or might not be affected by the UK and USA elections, nor what the outcome will be of current conflicts, I am confident we, as the Suffolk Building Society are well prepared: we are skillfully and fully resourced with excellent and loyal staff and we are future-oriented: not only in continuing our strong financial but the change programmes we have scoped, budgeted for and are now actively implementing.

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Loyalty and confidence – I would like to recognise and thank you, our members for your support and loyalty during what I accept has been another difficult and challenging year. We look forward to continuing to work with you together this year and in 2025 and beyond.

Thank you again for your presence here this evening.

Having concluded my personal reflections on what has been a great year, I would

firstly like to commend to you the Annual Report and Accounts to the Members which is the first Resolution;

Resolution 2: to approve the Directors Remuneration report; this report is included on pages 33-35 of the Annual Report and was also included in the Review of the Year which was sent to members with the notice of this AGM;

(we are not required to seek your approval for this report, however we think it is in the interests of good governance and transparency that members have a say)

I propose that the Remuneration report is approved. Please could I have a seconder.

Resolution 3: To re-appoint BDO LLP as Auditor

An annual requirement for this meeting is for you to consider, and if thought fit, to pass an ordinary resolution to re-appoint our Auditors.

I propose that BDO is reappointed as auditor - Please could I have a seconder.

Resolution 4: To Re-elect the Society's Directors

I propose that Richard Norrington, Rebecca Newman, Paul Johnson, Steve Reid, Elaine Lenc, Fiona Ryder, Sian Hill, Steve Liddell and Peter Elcock are elected as directors. Please could I have a proposer and a seconder.

For those of you who had not already voted and requested a form earlier please you kindly cast your votes now on papers provided and pass to member of team - these will be collected and added to votes which have been cast online, posted to us or collected in branches.

We now come to our annual award presentation...

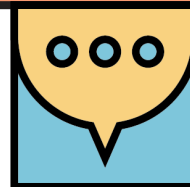
I am delighted to present the David Coe award

Outstanding customer service that exceeds the normal requirements of the job is what defines the winner each year of the David Coe award.

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It is based on nominations from Society employees and can be awarded to head office and branch staff.

It is always a tough decision, and we received some wonderful nominations this year, but after much consideration I am very pleased to announce this year's winner.

This individual joined the Society in September 2019 at our Saxmundham branch as a Member Assistant and in June 2021, they progressed to the position of Senior Member Assistant. After just another eleven months, they were made Assistant Branch Manager in April 2022.

In May 2023, a Member Support Centre was set up to centrally manage enquiries received from telephone calls, emails and letters received across the Society, along with messages and enquiries submitted through our new Online Savings Platform and this individual was appointed as the Team Leader.

Their commitment to customer service is regularly complimented by colleagues, and they received several nominations for this award, with comments highlighting their "positivity and commitment, desire to meet the needs of our Members" amongst many others.

This individual regularly receives positive comments from customer feedback for the professional, courteous and focused way in which they carry out their role and is already highly respected by their colleagues in this new role.

The Board of Directors and I would like to thank this individual for their true dedication and commitment to providing excellent customer care and their part in the delivery of the important online savings platform.. They are an asset to the Society.

The winner of the 2023 David Coe award is Chloe Aldred – congratulations Chloe!

I will now talk to the questions we have had submitted to us.

We have received 20 questions and comments, in writing, in advance of the meeting. All have received individual replies, and the questions and answers are posted at the back of the room. A further 9 questions have come through to us in the last day or so, and we will respond to these members individually but these questions are not displayed tonight. There are four main themes to the questions that we have received so far.

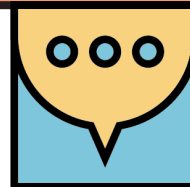
There are four main themes to the questions that we have received so far.

The first theme relates to **our new online services and whether the Society has any appetite to increase the services currently available.**

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In response we have said that our new service was launched in November 2023. This currently allows members the ability to register and view their existing accounts and mortgage balances (if applicable). It also provides the ability for members to open new accounts online. We will continue to extend our online services in the future so that we can meet our members needs.

The second theme relates to the interest rates available on the Society's savings accounts throughout the year and whether our products are competitive.

In response we have explained that the market has been particularly volatile over the past two years, as a series of increases in bank base rate has 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.

The third theme relates to remuneration, in particular Directors' remuneration and also the benefits that that Society offers to all employees.

In relation to the remuneration of Directors we have explained that the Society is required to pay an appropriate level of salary to attract the right quality of employees to run the Society, for the benefit of our 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. In relation to wider employee benefits we have explained that remuneration and benefits packages are based on grades for roles and reflect the levels of responsibility, seniority and accountability of the role. However, the Society constantly keeps this area under review to ensure all staff are rewarded appropriately and accordingly. In 2023, all employees received a salary increase of 6%, the largest annual increase awarded in recent years and reflected the Society's acknowledgement of the continued increased cost of living. The Society also paid a bonus for all eligible Society employees based on individual performance.

The final theme of the comments submitted was, pleasingly, expressions of satisfaction for the level of customer service that the Society provides to members.

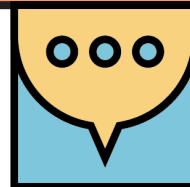
Firstly, we thank you for your kind feedback. We are committed to remaining accessible to all our members.

We will also post the questions and answers on our website within a week of the AGM. If there are FURTHER questions in the room, please put up your hand and we will get a microphone passed to you.

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Thank you, ladies and gentlemen. We will now conclude this evening's formalities and I will now read out the results of the voting:

(See separate voting results)

- I declare BDO LLP duly re-appointed as the Society's Auditor.
- I declare that Richard Norrington, Rebecca Newman, Paul Johnson, Steve Reid, Elaine Lenc, Fiona Ryder, Sian Hill, Steve Liddell and Peter Elcock are all re-elected as Directors

All of these results will be available on our website within a week of this meeting.

Ladies and Gentlemen, thank you for your attendance and your attention. I will now formally close the Annual General Meeting.

Peter Elcock

Chair

Wednesday 27 March 2024

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