



Members' questions and comments for the Board - March 2024.

With a property worth £500,000 and a mortgage of £400,000. How much (i.e. the actual figure in cash) goes down in the books as "assets under management"?

The outstanding balance on the mortgage i.e. original amount advanced, plus interest, less any repayments (depending on the type of mortgage e.g. capital and interest repayment or interest only) will be recorded in the Summary Financial Statements incorporated in the Annual Review of the Year 2023 as a receivable from the borrower in the line item 'Mortgages'. In the Annual Report and Accounts 2023, the amount is included as a receivable from the borrower in the Statement of Financial Position within the line item 'Loans and advances to customers, Loans fully secured on residential property'. The value of the property denotes the amount of collateral (or security) the Society has against that receivable in the event of a default but it is not recorded anywhere in the Society financial statements (as the asset the Society has is the loan, not the property).

As a building society how can you possibly justify upholding an excessively high SVR of 8.69% on desperate members who continue to suffer greatly with paying high interest rates. The base rate is 5.25%, why isn't the SVR in line with that?

When we respond to Base Rate changes, we consider the potential impact on both mortgage borrowers and savings members. Since the initial Bank Base Rate rise in December 2021. We have a 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.

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 5.15% and we have increased our Standard Variable Mortgage rate by 3.45% over the same period.

During this time we have also continued to offer a range of both fixed and discount rate products available to new and existing borrowers at rates below that of the SVR.

I would just like to propose a vote of thanks to the Board, Society and the Staff for their excellent services and the products they have provided for us.

Thank you very much for your kind feedback.

Is there any likelihood of a branch opening in Felixstowe Suffolk?

I think it would be well supported in light of the bank closures in the town to date.

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 branches in new locations, however we are actively looking at how we can best serve as much of the local population as possible.

In the future will online direct access to accounts be possible?

We launched our initial online savings service in November 2023. This allows members the ability to register and view their existing savings account(s) and mortgage balances (if applicable) online. It also provides the ability for members to open new online accounts. We will continue to extend our online services and 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.

Management costs increased 20% on the year previously, but you make no comment as to why. What accounts for this above inflation increase? How can you assure me that you and the executive management team are keeping costs under control?

In the Annual Report & Accounts 2023, there is a section entitled 'Strategic Report'. Within that there is a sub-section entitled 'Management Expenses'. This provides a commentary on the Society's management expenses and gives some background on the general level of expenses. The expense base of the Society is a key focus of management as generally revenue margin levels for building societies is relatively slim.

Has the rebranding to Suffolk Building Society proved to be value for money?

Other than external creative costs, such as developing the new brand guidelines, design work and photography, most of the 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.

Our change of name to Suffolk Building Society has been very well received and has helped to emphasise that, at a time when banks are closing branches, we are still here, with branches across the county. In fact, we opened 2,172 accounts with new members last year, compared to 1,614 in 2022.

As part of the rebrand we also reviewed our brand values. We focussed on the things that really make us distinct and these continue to drive our decisions. Our values are now based around membership, accessibility and community:

- Membership - members are at the heart of everything we do, because as a mutual we don't have to consider the interests of shareholders
- Accessibility - we do everything we can to be where people need us – for example by introducing on line services as another way in which members can choose to access our services while also retaining our branches
- Community – as well as maintaining our local branch presence we also support local charities through our 'Safe Homes' and 'Saving Suffolk' campaigns.

Why do you not upgrade your system for banking services to those of us desperate for a bank? It would bring in numerous customers.

We of course understand that people across the county have been very concerned about bank closures. We are taking a very different approach to the banks. We have retained all our 9 branches across Suffolk and our agency in Capel, and we have actually moved our Sudbury branch to larger, refurbished premises. As a building society however, we are focussed on providing savings and mortgage services and we don't currently plan to offer current accounts.

When are you going to start REDUCING the salaries of the Executive and Non - executive Directors to a more morally acceptable level? The gap down to your shop floor employees is far too great.

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 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.

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.

Why does the board not place more focus upon increasing the interest on savings accounts, as the Society's rates never appear to be very competitive? It seems as if SBS is more interested in charitable events, days out and competitions, rather than truly focusing upon its core objectives!

The market has been particularly volatile over the past two years, 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.

Last year I raised the question that in Hadleigh the advertising lit up display is on continuously all night and was assured by email this would be stopped.

However, from frequent late night dog walking in the early hours of the morning it is still active at an environmental cost.

We did instruct the supplier to turn these systems off after it was raised at last year's AGM. It seems as though a system upgrade may have changed this back again. We now have confirmation from the supplier that all digital screens will turn off at 9pm and turn back on at 7am and we will set some reminders to check that this has been done. Many thanks for raising it again!

Would it be possible to expand internet banking so a customer can transfer money in from a current account elsewhere?

The Society already allows electronic transfers in to all accounts whether branch based or online. We launched our initial online savings service in November 2023. This allows members the ability to register and view their existing savings account(s) and mortgage balances (if applicable) online. It also provides the ability for members to open new online accounts. We will continue to extend our online services and 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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Please suggest your thoughts on inclusion in the workplace such as providing chances for Neuro Divergent people.

Our approach to recruitment is to recruit the best person for the role irrespective of any specific characteristics. We focus on recruiting from a skills perspective as we are keen to widen the diversity of our workforce. This would include people who are neuro divergent. We have established links with local organisations to help us understand how we can encourage as wide a range of people as possible to see us as a potential employer. We are also working to identify potential work placements, internships and other temporary opportunities at the Society.

Is there any chance that an application can be developed so it is easier to track a mortgage online. This would make investing with you as an expatriate much easier and more attractive.

We currently do not have an online capability for our expatriate members to view their accounts held with the Society, however we will take on board your comments as we look to extend the online capabilities available to our members.

I've transferred several ISAs this autumn with some providers not making life easy. There was never a long wait to have a call answered. I'd like to thank the ISA team for their patience and help, and also the branches that answered the phone, answered questions where they could and passed messages on for a call back when needed.

Thank you very much for your kind feedback.

Are your branch workers entitled to all the same health care packages, expenses and paid holiday entitlement, as your directors?

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.

I found the service I have received in my 2 nearest branches excellent. Are there any plans to reduce the number of branches in the future, or will you expand to fill the void that the closure of main banks have created?

Thank you very much for your kind feedback.

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 branches in new locations, however we are actively looking at how we can best serve as much of the local population as possible.

When will you reward Savers?

The market has been particularly volatile over the past two years, 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.

You pay your non executive directors a great deal of money. How many other non executive directorships does each of them hold? Are they worth the considerable sums you pay them, and if so can you please provide evidence to support this?

The Society's group of Non-Executive Directors have the appropriate skills, knowledge and experience drawn from a wide range of backgrounds, the details of which can be found within the Society's Annual Report. 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.

The Society evaluates the performance and effectiveness of the individual Non-Executive Directors through an annual appraisal process. This process is overseen and run by the Chair (who is also subject to the same process). This process includes a 360-degree review and benchmarking against other NEDs. External Board effectiveness reviews are also conducted.

I would like to praise the staff at Woodbridge Branch and hope this branch in particular can remain open in the future.

Thank you very much for your kind feedback.

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