



# Annual Report.

Year ended 30 November 2025

**Suffolk**

**Building Society**

**0330 123 0723**

suffolkbuildingsociety.co.uk



# A winning year.

- Financial Reporter Awards:  
**Best Building Society/Mutual**



- L&G Mortgage Club Awards:  
**Finalists for Later Life Lender**



- What Mortgage:  
**Best Intermediary Lender Award and Highly Commended in three other categories**



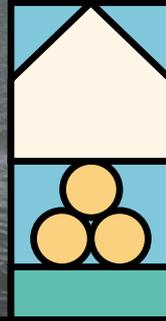
- Mortgage Industry Marketing Awards:  
**Best Marketing – Mortgages**



**Suffolk**

**Building**

**Society**



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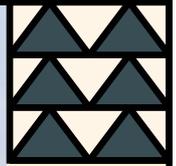
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Mortgage advances  
**£220m**



Value of mortgage applications  
**£340m**



**79** staff  
carried out **775**  
volunteering hours

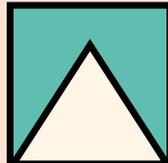


**£50.1k**

total charitable  
donations

Smart Money People  
Consumer Guardian badge 2025  
Silver badge for  
Customer Satisfaction 2025

Mortgage assets  
**£813m**



**794** new reviews  
on Smart Money People  
4.97 Smart Money People score

Retail savings  
**£899m**



Profit before tax  
**£1.4m**

# Chair's Report.

It's been an extremely positive year for Suffolk Building Society. We celebrated our 175-year history in a way that reflected our values and mission: with a volunteering and fundraising campaign '175 Good Deeds for Suffolk'.

The Society's commitment to its core values of accessibility, membership, and community have been backed by strong financial results for 2025.

Financial success ensures long-term sustainability and an ability to invest for the benefit of members and intermediary customers. Exceeding an £800m mortgage book is an important milestone on our ambitious growth journey.

This year saw the Society receive several awards from the mortgage industry, as well as recognition for its contribution to the local community.

Internationally and domestically, it has been another unsettled year, with increasing global tensions and, at home, economic uncertainty and changes in government policy.

The Society continued to buck the trend of bank branch closures – opening a new full-service branch in Felixstowe.

We focused on meeting the needs of existing and new savings members and received a strong inflow of retail funds. New savings products were launched, including the first online accounts with an online withdrawal facility.

A new range of savings accounts

for corporates and charities was also unveiled.

The Society's mortgage proposition continued to focus on its niche offering with new criteria launched across intergenerational and later life lending, expatriate, and self build. It also launched a new 'rental track record' criteria change, allowing borrowers a higher loan to income ratio where they could evidence a history of rental payments.

## The Society's Five Strategic Aims.

### Grow Efficiently and Sustainably

The Society will continue to grow sustainably and efficiently, taking into account its mutual values and the external environment. The Society must grow efficiently while achieving maximum return on investments, and all processes and resources must be optimised for effectiveness.

### Deliver Fair Value

To ensure its long-term success, the Society will offer customers products that provide fair and transparent value while remaining profitable.

### Exceed Customer Service Expectations

As the Society grows, customer expectations of its service will also grow. The Society must balance its commitment to maintaining face-to-face and personalised support for its customers and their growing need for digital solutions.

### Demonstrate Our Social Purpose

The Society is a mutual organisation owned by its members for the benefit of its members and their communities. It demonstrates this through targeted charitable initiatives that have a positive impact on the people of Suffolk.

### Maintain a Professional and Risk Aware Culture and Framework

The Society's risk framework and culture underpins its strategic direction. All current and future risks should be managed within its risk appetite in a cost-efficient and proportionate manner.

# Chair's Report Continued.

## Economic Conditions

Since 1 December 2024, the UK economy experienced a year of gradual recovery tempered by persistent structural challenges and global uncertainty. Inflation remained above the Bank of England's target, rising from 3.5% in December 2024 to 3.5% in November 2025. It also remained higher than that of its G7 peers.

The Bank of England responded cautiously by implementing 25bps reductions in February, May, and August 2025, when it reached 4.00%, where it remained until December 2025.

Despite news reports of house prices continuing to rise, the housing market has remained subdued, partly due to major changes to Stamp Duty Land Tax which came into effect on 1 April 2025. Many would-be buyers also delayed plans until after the autumn Budget, amid rumours of a 'mansion tax', and changes to stamp duty and income tax.

Savings rates, which had increased

to around 5.0% at their peak, also followed the base rate and began edging downwards, potentially reducing incentives for households to hold cash.

The Chancellor's autumn Budget in 2025 brought a change in Employer National Insurance Contributions, with an increase in the rate and a lowering of the secondary threshold at which employers must pay. This increased the Society's salary bill from 6 April 2025 onwards by approximately £250k per annum.

Overall, the past year has delivered lower borrowing costs, but fiscal tightening, global uncertainty, and structural weaknesses mean the economic environment remains challenging as the UK heads into 2026.

## Financial Highlights

The big story this year is that the Society has exceeded the milestone of a mortgage book of over £800m. Sustainable growth is part of the Society's first strategic aim, and it is

pleasing to see a 10% increase in the mortgage book to £813m from last year (2024: £738m).

The Society has made a pre-tax profit of £1.4m (2024: £2.2m), a figure which is in line with its forecast, demonstrating that the Society's underlying profit remains strong and sustainable. This has enabled the Society to add to its capital reserves.

A key component of a reduced profit before tax in 2025 compared to 2024 was an adverse charge arising from our 'hedging' positions. The Society operates under the Prudential Regulation Authority's 'matched' treasury regulations in line with its size and complexity. This means that the Society is not permitted to take interest rate positions and, as such, is required to hedge its interest rate exposure to mitigate interest rate risk. As a result, the Society can incur hedging gains or losses, which we, like many others, are required to record in our profit and loss statement. Last year's ongoing volatility in the market's expectations of future interest rates, exacerbated by



# Chair's Report Continued.

domestic political instability and geo-political uncertainty, caused a hedging loss of £0.6m in our profit and loss statement. These short-term losses will unwind over the life of the mortgage assets that are hedged.

Net Interest Margin (NIM) has remained in line with last year, at 1.9% (2024: 1.9%).

The mortgage business had a successful year of applications and completions, both of which were ahead of expectations. This is a fantastic achievement given the challenges around affordability that buyers are facing and the uncertainty within the property market due in part to Budget speculation.

Retail savings delivered another very strong performance. Not only did inflow surpass expectations, but there were also pleasing increases in new account openings: 8,284 (2024: 6,019). Of these, 3,020 accounts were opened by new members (2024: 2,323).

This liquidity position has supported lending and has also enabled the Society to repay its Bank of England Term Funding Scheme (TFSME) loan in full. The outstanding balance at the end of November 2024 was £30m.

The Society continues its track record of low numbers of mortgage arrears, relative to the mortgage industry as a

whole, although the number of cases where payments are more than twelve months in arrears has risen to five (2024: three). Considering cost-of-living pressures and many borrowers coming to the end of historically low fixed rate products, this is a good outcome.

## Regulatory Changes

The newly enacted Renters' Rights Act received Royal Assent on 28 October 2025. It abolishes Section 21 'no-fault' evictions, introduces open-ended tenancies, limits rent increases to once per year, and caps advance rent payments at one month. We will need to wait to see what effect, if any, these changes have on our buy to let lending.

The Prudential Regulation Authority has introduced a new 'Strong and Simple' regulatory framework which includes a simplified capital regime for small, domestically focused banks and building societies. The Society has applied for and been accepted into the new regime. From 1 January 2027, there will be changes to the amount of capital we will have to hold, relative to our lending. This should give us the capacity to grow our mortgage book at a faster rate.

## Conclusion

After an award-winning year, in which the Society passed a key mortgage

book milestone and met its financial goals, it is set for sustainable growth into 2026. We have a strong mortgage pipeline, ten high street branches, and solid savings and mortgage propositions. Our specialist teams will continue to ensure that our products and services reflect member needs and market conditions and enable us to maintain our competitive position while remaining within Board-approved risk appetite.



**Peter Elcock**  
**Chair**

10 February 2026

# Foreword From Our Chief Executive Officer.

This financial year has seen many celebrations: our 175th year, the 250th anniversary of the building society movement, and the opening of a new branch in a new location.

The Felixstowe branch, which began serving members in March 2025, is a first for the Society – installing a full branch within a new shared space. Located within East of England Co-op Travel, the new branch proved to be a success within weeks, attracting new accounts, retail inflow, and new members.

Our approach of combining digital service with excellent face-to-face customer service, is proving successful. From March to the end of November 2025, the new Felixstowe branch has opened 370 accounts (233 from new members), attracted £6.6m of funding (£4.5m from new members), and its opening hours have been extended to meet demand.

We continue to invest in our existing branches. Our Woodbridge branch has been upgraded with some accessibility enhancements to benefit staff and members alike.

Online, we've seen a 271% increase in new members opening online accounts, attracting £6.2m of new funding from these new digital savers.

During the 2024–25 financial year, we continued our brand campaign launched in late 2024. Advertisements appeared on buses and at bus stops across Suffolk, as well as online and on social media. The campaign has increased awareness of the Society across the county and will

continue through 2026, with refreshed messaging highlighting our local presence, personal service, community support, and member ownership.

The Society achieved much recognition from the mortgage industry this year. In June the Society won Building Society/ Mutual of the Year at the Financial Reporter Awards. This is particularly impressive in that only verified brokers voted in the final stage.

We were also named Best Intermediary Lender and were Highly Commended in three categories at the What Mortgage Awards. Our marketing success was recognised in November at the Mortgage Industry Marketing Awards, where we won Best Marketing – Mortgages, and our mortgage marketing manager was a finalist for Marketer of the Year.

We also reached the final three in the L&G Mortgage Club Awards for later life lending. Although we didn't win, being finalists was a major coup for a building society of our size. As well as industry

feedback, our members continue to tell us they like our products, services, and our commitment to the local community, which is how we differentiate ourselves.

Smart Money People recognised the Society for its strong customer outcomes based on an analysis of member feedback, awarding its Consumer Guardian badge for 2025. The Society also achieved Smart Money People's Silver Customer Satisfaction badge for 2025.

These independent indicators support the Society's ongoing assessment of how it is embedding the principles of Consumer Duty and delivering good outcomes for members.

I would like to thank my fellow Board members, staff across the Society, and of course, most of all, our members, who continue to choose us to invest with and borrow from.



**Richard Norrington**  
Chief Executive Officer

10 February 2026

# Strategic Report.

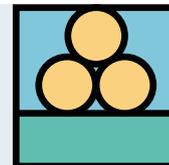
## MISSION AND VISION

### Our Vision.

To be a strong, growing, fiercely independent building society.

### Our Mission.

To be a safe home for savers and to provide safe homes for our communities.



Suffolk Building Society is a mid-sized regional building society ranked 20th in the UK by asset size out of 42 societies. Established in 1849, the Society has a long-standing history of service. Guided by a clear vision, mission statement, and deeply rooted values, the Society is committed to being a secure place for savers while supporting communities

with safe homes. Members are at the core of its proposition, with a strong focus on delivering personalised customer service.

The Society has always brought together savers and borrowers for their mutual benefit. It attracts savings deposits from members and retail customers, using these funds to offer a range of mortgage

products through its extensive broker network and direct sales team. It operates through ten full-service branches across Suffolk and its online savings platform.

The Society is well placed with its strong and individual offering to the mortgage market. It has always looked at each mortgage application purely on its merits, using its judgement to assess outgoings and affordability, so that it remains successful particularly in niche lending areas.

Maintaining administrative expenses to an appropriate level is essential for the sustainability of the Society, and the Society is committed to ensuring that its processes are as efficient as possible to maintain control of costs.

The Society's strategic focus has remained consistent: to steadily grow membership, mortgage balances, and the savings book while maintaining strong asset quality and increasing tier 1 capital. This report outlines the Society's progress against its strategic objectives and provides an update on performance relative to key indicators.

Key Performance Indicators	2023	2024	2025
Mortgage asset (£m)	727	738	813
Mortgage advances (£m)	180	122	220
Number of arrears cases over 12 months	5	3	5
Retail savings balances (£m)	738	817	899
Net Interest Margin (%)	2.27	1.94	1.89
Profit before tax (£m)	4.1	2.2	1.4
Management expenses (£m)	14.2	15.3	15.5
Investment spend (£m)	2.1	2.0	0.7
Employee engagement score	77.9%	74.8%**	76.9%**
Net Promoter Score (NPS) (across business)*	87.7	86.5	84.9
Smart Money People reviews	767	859	794
Total regulatory capital (£m)	45	45	47

\*\*The staff engagement survey changed from Engagement Multiplier to Empowered in October 2024, with different questions to measure culture. Therefore, the scores for 2024 and 2025 cannot be compared like-for-like with 2023.

\* NPS is a measure of customer loyalty and satisfaction based on the likelihood the customer would recommend a company, product, or service to others. It is calculated from member reviews and scores provided via the Smart Money People platform. The NPS score includes all consumer and broker reviews.

# Strategic Report Continued.

## Mortgages

The Society's lending proposition is to provide mortgages through a network of approved mortgage brokers, as well as directly from the Society. Its team of underwriters does not rely solely on credit scoring but instead uses manual underwriting as a point of differentiation.

The Society's mortgage and product teams have an excellent reputation within the industry among intermediaries, networks, and clubs.

The Society particularly attracts both borrowers and intermediaries who serve customers in certain niches. These niches include intergenerational lending, such as gifted deposits and Joint Borrower Sole Proprietor (JBSP), later life lending, self build, and expat, in addition to the standard residential offering.

## Mortgage Assets and Mortgage Advances

The mortgage book surpassed £800m for the first time, rising by 10% to £813m (2024: £738m) as of 30 November 2025.

To achieve this, the lending team processed 1,250 mortgage applications in 2025 (2024: 1,193), with a value of £340m (2024: £304m). Completions numbered 857 (2024: 512), with a value of £220m (2024: £122m) and an average loan size of £259k (2024: £241k).

Residential lending made up 68% of this year's mortgage completions (2024: 69%). This included 48 self build cases (2024: 27), lending £23m to those self building (2024: £12m).

Applications were reasonably spread across the year, with the largest volumes landing in January–March, July, and September–November. This helped the Society maintain Service Level Agreements (SLAs) for brokers and customers.

## Mortgage Products and Service

Rather than launch new product categories this year, the Society has focused on refining our new criteria,

higher loan to value (LTV) lending, and a rental track record income multiplier that have all driven sales and retention of business.

Intergenerational lending has proved very popular this year. JBSP, which we launched in 2024, has been a feature of 9% of this year's applications.

In April, expat residential lending was made available up to 90% LTV. In June, changes were made for non-UK nationals around their visa requirements. The minimum age for expat residential lending dropped from 21 to 18, and for expat buy to let borrowers, the minimum income requirement was reduced.

However, the most significant change was to take applicants' rental track record into account and to offer up to 5.49 times income for renters who could evidence 12 months of paying rent on time.

This solution has proved popular with brokers and the Society believes it is among just a handful of lenders offering a similar proposition.

In September, more changes were made which would appeal particularly to first time buyers; an increase to 90% LTV for JBSP and 90% LTV on new build flats. Later life borrowers also benefitted from the removal of a minimum £20k income limit.

## Live Chat

During 2025, Live Chat was added to the broker website in order to offer brokers an alternative communication channel. This is particularly helpful for quick criteria checks, and it has helped to improve engagement with brokers and to secure further business. It's also possible for teams on the helpdesk to have multiple chats with brokers at once, which isn't possible over the phone.

## Industry Collaboration

In March, the Society became a member of the Intermediary Mortgage Lenders Association (IMLA). IMLA is the trade association that represents

the views and interests of UK mortgage lenders involved in the generation of mortgage business via professional financial intermediaries. Our head of intermediaries was co-opted to the board of IMLA, further enhancing our industry profile.

The Society also signed the Mortgage Industry Mental Health Charter, which was created to make wellbeing a recognised priority across the UK mortgage sector, and provides a voluntary framework for firms to provide mental health and wellbeing support to their staff.

## Customer Satisfaction – Intermediaries

### Five Star Lender H12025

H1 2025 Smart Money People Lender Benchmark Survey saw the Society achieve the highest positive score: a five-star rating from 105 responses (2024: 73). As in previous surveys, brokers praised the responsive and personal service they receive, as well as the flexible manual underwriting and direct access to underwriters.

## Direct Mortgages – Applications

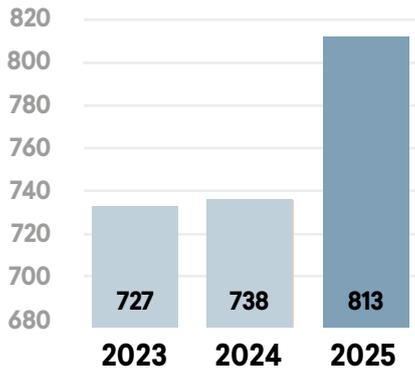
The Society received 126 direct applications, with a total value of £27m of which 93 mortgages, valued at £17m completed. These applications spanned each of the Society's niches: intergenerational, later life, self build, and expat. Borrowers were aged 27 to 85 and applied for mortgages from £6.6k to £2m.

## Process

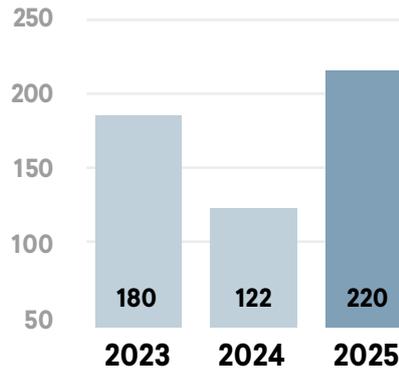
An online Decision in Principle (DIP) form was launched in December 2024, allowing direct customers to fill out and submit their information online. The Direct Sales team then assess and respond within 48 hours. As well as being convenient for borrowers, and for the team, this introduction allowed the Society to run targeted social media advertising campaigns directing borrowers to the DIP form.

# Strategic Report Continued.

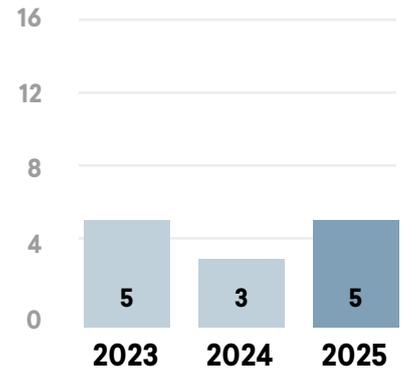
**Mortgage Assets (£m)**



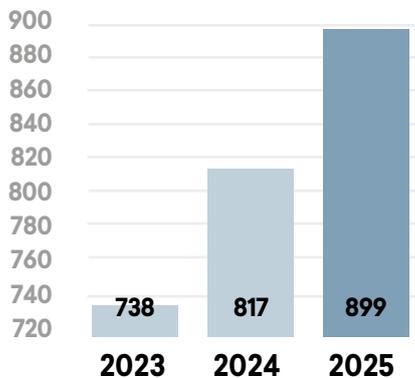
**Mortgage Advances (£m)**



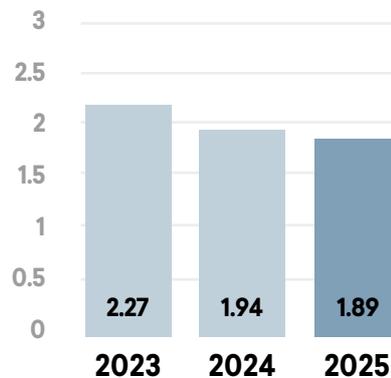
**Arrears Cases (number)\***



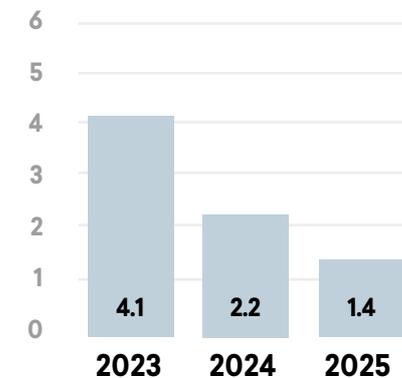
**Retail Savings Balances (£m)**



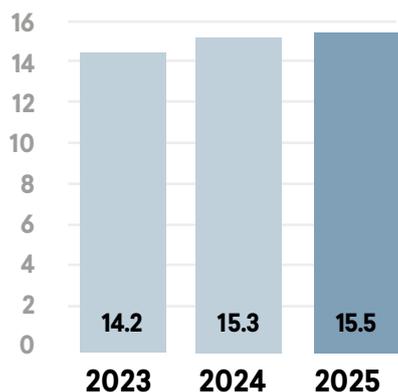
**Net Interest Margin (%)**



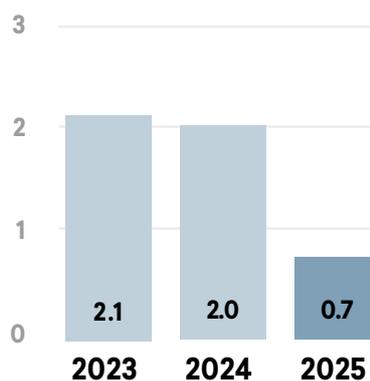
**Profit Before Tax (£m)**



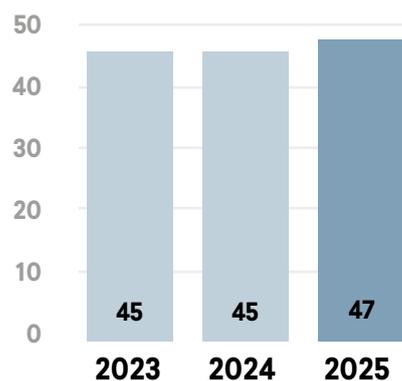
**Management Expenses (£m)**



**Investment Spend (£m)**



**Total Regulatory Capital (£m)**



\*Arrears cases  $\geq$  12 months

# Strategic Report Continued.

## Solicitor Introductions

The Society introduced a solicitor introduction service within our Direct Sales team for conveyancing and legal advice. The introduction of this new process enhances the overall service and direct mortgage application journey. It also addresses a growing demand for our customers who need an introduction to a solicitor firm.

## Customer Satisfaction – Direct Mortgage Members

The volume of feedback received from borrowers via the Smart Money People platform is lower than for savings. This is due in part to the fact that the relationship between a mortgage borrower and our staff isn't face-to-face, and often involves an intermediary broker. Borrowing members tend to have fewer interactions, often going several years in between contact. The

29 Smart Money People responses resulted in a NPS of 72.4, and mentioned many of the staff by name, with glowing feedback. Several pieces of negative feedback were also received and where possible the Society reached out directly to address concerns.

## Arrears

The Society's arrears levels have remained low throughout the year. We have a dedicated Collections team to support members with payment difficulties. As of 30 November 2025, we had 80 (2024: 65) mortgage accounts in arrears. We have five (2024: three) mortgage accounts where the arrears were the equivalent of twelve months' payments or more. The total amount outstanding in these cases was £755k (2024: £515k), and the total amount of arrears was £141k (2024: £100k).

On 30 November 2025, the Society had one (2024: one) property in possession.

At the same time, the Society had 30 (2024: 39) mortgage accounts subject to forbearance, which equates to 0.7% (2024: 0.9%) by number of the total mortgage book. These mortgage accounts have a total balance of £4.4m (2024: £5.0m). Currently, 16 (2024: 24) of these cases are in arrears, with total arrears balances of £67k (2024: £92k). Where the Society considers there is a possibility of loss, a provision is made in accordance with the Society's policies.

## Retail Savings

At year-end, total savings deposits had increased to £899m (2024: £817m), growing by £82m.

The Society experienced a busy start to the new ISA season. This was part of a wider trend, as the Bank of England reported that a record £14bn was deposited into cash ISAs in April 2025.



# Strategic Report Continued.

This trend was fuelled by rumours of a reduction in the cash ISA allowance, prompting many savers to maximise their tax-free annual allowances for the tax years ending 2025 and 2026.

The Society brought in funds consistently throughout the rest of the year, with robust inflow every month, despite a trend of rate reductions. Customers responded positively to the products and rates offered.

## Savings Retentions

By year-end, the Society had retained 89% of its maturity balances across savings products (2024: 89%).

## Member Numbers

Total membership (retail savers and borrowers) now stands at 61,377 (2024: 61,120).

Account openings have been strong this year, with 8,284 new savings accounts opened (2024: 6,019). Of these, 3,020 accounts were opened by new members (2024: 2,323).

Of total account openings, online savings accounts have attracted 864 new members this year (2024: 319) and over £6.2m of inflow (2024: £3.0m).

Regular saver products have been responsible for attracting 29% of new members (866 out of 3,020).

The savings proposition has continued to be based on competitive products and the excellent customer service delivered by our ten branches and member support centre.

## Online Services

The 120 Day Notice Account was introduced as an online product in January, and this was followed by the 35 Day Notice Account on 28 August. These were the first two products to be launched as an online product with a withdrawal facility. This has allowed the Society to offer members a broader product portfolio, while monitoring the impact on liquidity in a measured way.

At the close of this financial year, 6,314 members were registered for either view-only online access or they had opened a fully online savings account (2024: 3,630) with balances which totalled £15m (2024: £4m).

## New Savings Products

In May, the Society launched a new range of corporate savings accounts available to limited companies, Limited Liability Partnerships (LLPs), and registered charities. As part of the portfolio, an Everyday Business Saver was introduced with a lower minimum balance of £10k to better meet the needs of customers. The Society reintroduced the Undesignated Client Account (Issue 2) to its range of non-personal accounts.

To help support younger savers, the Society changed the upper age limit of the Stepping Stone ISA from 18 to 24. This product provides a higher rate instant access account compared to the conventional adult ISAs, recognising the need of this target market to have access, and a better rate to help them start their savings journey. Two other products introduced were a 35 Day Notice Account, and a Single Access ISA.

In December 2024, all post code restrictions were lifted on branch-based savings accounts in line with our online product range.

In November 2025, the maximum balance on several personal savings accounts was increased to £500k. This was restricted to branch and postal accounts, the maximum balance on the comparable online accounts remained at £100k.

## Customer Satisfaction – Savings and Membership

Smart Money People recognised the Society as meeting the requirements of Consumer Duty by analysing its member feedback, and we were awarded its Consumer Guardian badge for 2025. The Society also achieved the Silver level badge for Customer Satisfaction for 2025.

Savings members submitted 764 Smart Money People reviews (2024: 676) of their experience, resulting in a NPS of 94.7 (2024: 93.3).

## Branch Proposition

Our first new full-service branch in a new location in 15 years opened in Felixstowe in March 2025. Immediately, the branch proved popular, attracting new members and new account openings. In September, a subsequent additional half day opening was added, in response to customer demand.

While not a branch, our agency in Capel closed in October 2025. This decision was made when the contract was ended by our strategic partner.

The Woodbridge branch temporarily closed for three weeks in the autumn for a light refurbishment. Enhancements included installing a more welcoming counter and more accessible doors to support wheelchair-users and those with prams and pushchairs.

## Processes and Regulations – Savings and Membership

In November, a change was announced to the Financial Services Compensation Scheme (FSCS) and from 1 December 2025, members' deposits are protected to £120k (previously £85k). The limit for temporary high balances has increased to £1.4m, protected for up to six months. This covers large deposits resulting from events like an inheritance or selling a property. These are the first changes to the scheme since 2017.

## Consumer Duty

A new Consumer Duty Working Group was established within the Society in July to further embed Consumer Duty across the business. Following the introduction of Consumer Duty in July 2023, the Society has been required to provide an annual Consumer Duty report to the Board, which proactively identifies where improvements can be made across the business to ensure delivery of good outcomes for its retail customers.

# Strategic Report Continued.

This annual report was reviewed by the board in March 2025 and included detailed metrics to evidence our performance against Consumer Duty outcomes. It confirmed that all product reviews had been completed in accordance with regulatory deadlines and highlighted the areas where we planned to further enhance our services.

## Bereavement Support Team

Following a review of the impact of bereavement on the Society's members, a Bereavement Support team was introduced. This builds upon the existing service provided to members who are experiencing bereavement. The team now offers additional support to executors and beneficiaries who are managing the deceased's account.

## Management Expenses

Management expenses primarily consist of administrative expenses and depreciation. In 2025, management expenses were £15.5m (2024: £15.3m).

## Capital

The Society's total regulatory capital is £47.1m, an increase of £1.6m from the previous year and remains at a satisfactory level above minimum requirements (including regulatory buffers) as of the end of November 2025. The tier 1 capital ratio was 13.3% at 30 November 2025 (2024: 14.1%). This capital level gives the Society a sound platform to grow further. As part of the Capital Requirements Directive ([CRD] – as adopted into the Prudential Regulation Authority [PRA] rulebook), the Board has assessed the adequacy of the Society's capital resources.

In December 2024, the Society applied to the PRA to be regulated under its Small Domestic Deposit Takers (SDDT) regime. SDDT is a new, simplified prudential framework which applies to UK non-systemic banks and building societies that meet certain criteria and applies from 1 January 2027. The SDDT regulations have been issued and have

been reviewed to determine the effect on the Society's capital levels, which is likely to be positive.

## Profit Before Tax

The Society achieved a profit before tax of £1.4m (2024: £2.2m). In 2025, this included a hedging loss of £0.6m, so for this financial year the 'pre hedging' profit was £2.0m. For comparison, in 2024 the hedging loss was £0.2m, so the equivalent 'pre hedging' profit for 2024 was £2.4m. The result for 2025 is similar to that of 2024 where increased net interest income has largely offset movements in the impairment loss provision, while management expenses have remained broadly flat.

The Bank of England base rate has seen a series of reductions this year, and these reductions are reflected in the rates that are offered to both borrowers and savers. The Society's balance sheet has more interest-bearing assets than interest-bearing liabilities. A proportion of these assets are Bank of England balances and Debt Securities which attract variable rates in line with bank base rate. When market rates fall, the income from these assets falls. During the year, this was partially offset by Bank of England funding of £30m (now repaid) which similarly attracted an interest charge which moved in line with bank base rate.

In relation to hedging, the Society operates under the Prudential Regulation Authority's 'matched' treasury regulations in line with its size and complexity. This means that the Society is not permitted to take interest rate positions, and as such, is required to hedge its interest rate exposure to mitigate interest rate risk. The Society uses interest rate derivatives or 'swaps' to hedge this interest rate risk. This risk arises from the sale of fixed rate mortgages and the acceptance of fixed rate savings. Swaps are recorded on the balance at their fair value which is based on yield curves. The yield curves themselves move due to the anticipation of bank base rate movements, and the

inherent market view of the prospect of these movements. This has seen volatility over the past year due to the changing state of the economic environment and mixed views on the timing and magnitude of anticipated reductions in bank base rate. As a result, the Society can incur hedging gains or losses during the year, but these are temporary in nature as they are unwound fully over the life of the assets or liabilities being hedged.

A healthy profit is essential for the Society's sustainability, allowing us to build capital reserves and support future growth. It also enables us to contribute to local causes and invest strategically alongside our charitable partners.

The Board remains confident that the Society can maintain profitability throughout the three-year corporate period, positioning it to grow and outpace costs. The Society is committed to making investments that ensure its relevance in the years ahead.

Further significant investments in digital transformation will be reflected as costs over the next few years. These major expenditures are not one-time purchases but are instead amortised over multiple years.

## Community

While community has always been at the heart of the Society's values, in 2025 our '175 Good Deeds for Suffolk' campaign saw Society staff take part in a huge range of volunteering, fundraising, and other community-focused activities. By 30 November, the Society had reached almost 100 good deeds, and we will continue to add to these through early 2026. The campaign has offered an excellent opportunity to further embed community at the centre of every colleague's role.

In October 2025, the Society was honoured with the 'Community Contribution' award as part of the first annual Financial, Insurance and Professional Services (FIPS) Group

# Strategic Report Continued.

Awards. The FIPS Group is a network in Suffolk that brings together businesses and individuals operating in the finance, insurance, and professional services sectors. The judges were impressed by the grassroots community contributions of the '175 Good Deeds for Suffolk' anniversary campaign, and how the 'Safe Homes for Suffolk' and 'Saving Suffolk' campaigns are rooted in the Society's mission to be a safe home for savers and provide safe homes for our communities.

## Volunteering

This year, 79 staff have spent 775 hours volunteering across a wide range of activities. We have organised set volunteering days for staff to easily allow them to put their allocated four hours per month of volunteering time to good use.

Staff have supported families struggling with domestic neglect through the charity Dora Brown, those facing rural isolation through the charity Rural Coffee Caravan, and we have supported local wildlife with volunteering days with Greenlight Trust and Suffolk Wildlife Trust. Several teams of volunteers also helped our partner charity, Lighthouse, with a spruce up of its head office in Ipswich, while the HR team has led a programme of volunteering, providing mock interviews at the Job Centre in Ipswich.

Staff have also supported the community beyond work hours, assisting with the set up of a major fundraising event for St Elizabeth's Hospice, sports coaching, and with trustee duties for local schools and charities.

## Fundraising

2025 saw some extraordinary fundraisers by staff, including a sponsored skydive in aid of Suffolk Mind and another member of staff 'Braving the Shave' in aid of Macmillan Cancer. Other members of staff have run, cycled, and walked, including our head of technology and transformation, who walked an astounding 175 miles over a few weeks in aid of partner charity Emmaus Suffolk.

We have enjoyed a number of charity bake sales, while staff have also donated items for Christmas hampers for families in need and sported Christmas jumpers in aid of the Suffolk Community Foundation Surviving Winter Campaign.

The total donated to charities in 2025 was £50.1k (2024: £50.4k), which includes £6.1k of matched funding by the Society for many of the fundraising efforts which took place during the year. The Society match funds the totals raised up to £1k on an individual basis.

## Financial Education

2025 saw the Society launch a pilot of financial education workshops in schools, with sessions aimed at 15 to 18 year-olds. The workshops have been designed to cover essential basic financial knowledge, from understanding payslips to awareness of budgeting and different types of borrowing. In 2025, we delivered these sessions to pupils in five schools. These pilot sessions have allowed us to refine our workshops based on feedback, and we look forward to delivering sessions to a wider range of schools in 2026. We also supported schools with careers sessions and mock interviews during the year.

## Partner Charities

The Society extended its charitable partnerships into 2026, boosting our support to £200k over five years for four local charities focused on homelessness, domestic abuse, and wildlife conservation, including Ipswich Housing Action Group, Emmaus Suffolk, Lighthouse Women's Aid, and Suffolk Wildlife Trust (SWT). This extension includes financial aid, staff volunteering, and member engagement to tackle issues like housing insecurity and environmental protection in Suffolk.

As part of our commitment to environmental safeguarding and the protection of local nature, the Society was proud to be named by SWT as a 'Reserve Guardian' for the Martlesham Wilds nature reserve near Woodbridge. Our financial support will contribute to preserving this exceptional wildlife haven for the enjoyment of our members and future generations.

## Membership

### Member Events and Discounts

During the year, members were treated to another packed agenda of member events. Highlights included a visit to



# Strategic Report Continued.

the Great War Huts Experience, a local project dedicated to restoring and preserving original wooden buildings from the First World War; a nature photography session at SWT's Bradfield Woods nature reserve, hosted by Society brand photographer Richard Allenby-Pratt; and a visit to 16th-century Landguard Fort in Felixstowe for a ghost tour.

Our programme of member discounts for local products and services, accessible via the member newsletter, included offers with the Food Museum, Humber Doucy Brewing Company, and Seckford Hall Hotel and Spa.

## *In Branch Activities*

At our 2025 AGM, many members were interested to meet with local trading standards officer Paul Miles who attended the event with cyber security advisors Gemma Theobald and Chris Bales for their talk on online safety. Due to the level of interest, our Ravenswood and Mutual House branches were pleased to host Paul in branch to talk to members about scams and rogue traders.

Our Mutual House branch was once again open to visitors for Heritage Open Days in September. This time, visitors wanting to know about our history got to experience it live as staff performed a re-enactment of a ballot for homes.

## **People and Wellbeing**

As the Society continues to grow, we remain focused on the skills, needs, and productivity of our people to ensure we keep pace in a rapidly changing workplace environment and continue to meet the needs of our membership.

The annual staff survey, a key test of the engagement and motivation of our staff, took place in October 2025. The Empowered survey, which focuses on company culture, is now in its second year at the Society, and we were

delighted to see that both participation and engagement increased in 2025, with scores of 85.0% (2024: 78.4%) and 76.9 (2024: 74.8) respectively. We are delighted with such an uplift to these positive scores. Several hundred anonymous comments are also received as part of the survey, and these are analysed in depth by the Executive team.

In November, we held our annual all-staff event, which was attended by 135 staff members. This year staff were encouraged to take part in a Q&A session with the opportunity to ask the Executive team questions about the Society's strategic direction – an opportunity fully embraced by Society staff. We also presented our annual 'Living the Values' awards to nine members of staff, as well as an award for Outstanding Internal Customer Service. All of these awards recognise colleagues who actively role-model the Society values in their day-to-day work.

We continue to support learning and development opportunities across the Society provided by in-house experts and external organisations, as well as through formal qualifications. The total spend on training during the 2024/25 financial year was £59.2k (2024: £45.9k). The training undertaken included people management skills, supporting vulnerable customers, dealing with challenging phone calls, CeMAP, improving the quality of customer interactions, employment law updates, and technical training in finance and IT. We have continued to support apprenticeships with one individual due to complete their Business Administration Level 3 course in February 2026, and a manager being supported in completing a Level 7 Senior Leader Apprenticeship.

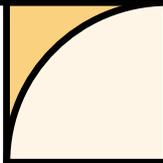
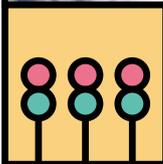
As part of our ongoing commitment to learning and development, the Society participated in the 'Learn at Work' programme in May for the first time. Most of the nine sessions were delivered via Microsoft Teams and

attracted 178 attendees. Topics included cyber security, pensions and retirement planning, and product development. We also held some in-person training with 14 people completing an introduction to CPR, while six people attended a session on apprenticeships. The week was well received by all colleagues, and we look forward to running more sessions in 2026.

The ongoing welfare and wellbeing of our teams across the Society continues to be a focus for the HR team and people leaders. Our dedicated people wellbeing manager has supported colleagues with welfare issues, and 20% of staff took the opportunity to attend NHS Workplace Health Checks. NHS Wellbeing workshops have also been offered to staff. Eight colleagues also attended training on how to identify domestic abuse.

In line with our recruitment strategy, we have been streamlining the recruitment process to make it more effective and deliver a better experience for candidates. With input from an intern from the University of Suffolk, we have updated our adverts to make the language used more inclusive to attract a wider range of suitable candidates. We have also introduced a digital paperwork process in order to make returning forms easier and more efficient.

# Strategic Report Continued.



# Risk Review.

The Society's activities and strategic objectives require it to take on and manage risk primarily in the areas of retail credit risk, financial risk, operational risk, and conduct risk.

The Board has defined the Society's primary risk objectives and set the Society's risk appetite against the key risks the Society is exposed to (see table on page 19).

Each key risk is owned by a member of the Executive team who is responsible for ensuring the risk is managed within the risk appetite set by the Board. Where a risk is outside Board risk appetite, management actions are taken to return it within risk appetite.

The Society has an Executive Risk Committee that monitors and reports monthly on its risk profile to the Board. The Executive Risk Committee receives reports from the Retail Credit Risk Committee, Assets and Liabilities Committee, and the Operational and Conduct Risk Committee.

The Society's risk profile remained broadly stable and within its risk appetite during 2025.

Deloitte is the Society's internal auditor and provides an independent annual opinion on the effectiveness of the governance, culture, risk management, and control framework at the Society.

In January 2026, Deloitte reported that "the governance, risk, and control framework of the Society is aligned to its current size, inherent risk profile and business, business model and complexity, and we are not aware of any material control deficiencies which require disclosure within the 2024/25 Annual Report and Financial Statements."

Further explanation of the Society's key risk exposures follows.

**Capital risk:** The Board complies with the Capital Requirements Directive IV (CRD IV), as adopted in the PRA Rulebook, which requires the Society to assess the adequacy of its capital through an Internal Capital Adequacy Assessment Process (ICAAP).

To assist the Board in determining the level of capital required, stress testing and scenario analyses are performed on key business risks to assess whether the Society could survive a severe economic downturn and other severe business shocks. This process enables the Board to ensure that the Society holds a level of capital sufficient to satisfy regulatory requirements and meet our internal capital assessment. The Society has approval from the PRA to be regulated under the PRA's new Small Domestic Deposit Takers (SDDT) regime and is on course to adopt the simplified capital regime for SDDTs from 1 January 2027.

**Liquidity risk:** This is the risk that the Society will be unable to meet its financial obligations as they fall due. This includes requests from members to withdraw funds or complete new mortgage drawdowns. The Society is required by regulation to hold a minimum level of liquidity. Liquidity investments are held in on-call accounts or as short-term dated investments, including Certificates of Deposit (CDs) and Floating Rate Notes (FRNs). However, we hold most of our on-call liquidity investments with the Bank of England.

**Interest rate risk:** This arises from either a mismatch between the interest rate characteristics or the maturity profiles of assets and liabilities.

The Board-approved Treasury Policy includes set limits for assets and liabilities based on different interest rates. Where possible, we use natural hedging between our fixed rate mortgages and fixed rate savings bonds. We also use interest rate swaps

to manage interest rate risk within our balance sheet. Further details can be found in note 28 of the Society's accounts.

**Retail credit risk:** This risk materialises when a loss is incurred through non-repayment of mortgage lending. The risk is mitigated through our Board-approved Lending Policy, which sets our risk appetite for new lending and includes clear guidelines for mandate levels and lending criteria.

We also focus on supporting borrowers who may be having payment difficulties to help mitigate any potential loss and assist them in returning to a normal repayment pattern. Where we consider that there is the potential for a loss, we make a provision for this in accordance with our policies.

**Operational risk:** This is the risk of loss through inadequate or failed internal processes or systems, including human error or external events. Operational risk events and near misses are captured, and root cause analysis is undertaken to identify and mitigate further risk events.

The Society performs an annual self-assessment of its operational resilience to ensure it can deliver important business services to members under various 'threats'.

Our membership can only be served by having committed, knowledgeable staff with the ability and authority to meet the requirements and expectations of our members. As such, all staff complete regular training, and we encourage them to undertake personal development and advancement. We recognise and reward their achievements, creating a sense of pride in serving our membership and providing good customer outcomes.

# Risk Review Continued.

**Conduct risk:** This arises when a firm's behaviour results in inappropriate or poor customer outcomes. Our culture ensures that each of our members has a right to expect that their relationship with us will be conducted fairly and consistently. We recognise our members as the owners of the Society with individual requirements and expectations, and this approach is demonstrated within our Consumer Duty and Conduct Risk framework. We design products and services with the needs

and financial objectives of our members in mind.

We have policies and procedures to ensure compliance with the regulations affecting our business.

Key Risk Objective	Level 1 Risk
<p><b>FINANCIAL</b> Manage profit volatility within defined parameters where capital and liquidity are at levels allowing the Society to operate effectively in normal and stressed conditions.</p>	<ul style="list-style-type: none"> <li>• Capital</li> <li>• Liquidity and funding</li> <li>• Interest rate risk</li> <li>• Wholesale credit risk</li> <li>• Financial reporting and regulatory returns</li> <li>• Model risk</li> </ul>
<p><b>RETAIL CREDIT</b> Manage and control credit risk within defined limits and exposures and underwrite more complex mortgages for our customers that fit our underwriting expertise.</p>	<ul style="list-style-type: none"> <li>• Lending quality</li> <li>• Concentration risk</li> <li>• Credit monitoring</li> <li>• Problem debt management</li> <li>• Climate change</li> </ul>
<p><b>OPERATIONAL</b> Develop and maintain cost-effective and operationally resilient systems, infrastructure and processes (including those provided by a third party), to deliver the corporate strategy. Have the right number of skilled and motivated people in place, and develop and retain our best talent.</p>	<ul style="list-style-type: none"> <li>• Information security and records management (inc. data quality)</li> <li>• Systems</li> <li>• Change management</li> <li>• Third-party suppliers</li> <li>• Fraud</li> <li>• People risk</li> </ul>
<p><b>CONDUCT</b> Deliver good customer outcomes that are consistent with our vision. Our foundation is the delivery of compliant products, processes, and systems for how we treat or interact with our customers. We will seek full compliance with appropriate regulations.</p>	<ul style="list-style-type: none"> <li>• Product design</li> <li>• Sales – savings</li> <li>• Sales – mortgages</li> <li>• Post sales – savings</li> <li>• Post sales – mortgages</li> <li>• Governance and culture</li> <li>• Legal risk</li> <li>• Financial crime</li> <li>• Compliance oversight</li> </ul>

# Corporate Governance.

## Our Board of Directors



**Peter Elcock**  
Chair

Non-executive director 2015–2020 and since December 2022.

Chair of the Board since December 2022 (independent on appointment).

Committees: Nominations chair, Remuneration

### Skills and Experience

Peter Elcock has worked for over 45 years in the financial services industry, including roles at Barclays, Coventry Building Society, Charter Court Financial Services Group PLC (CCFS), and One Savings Bank. He is passionate about the mutual model, its values, and the safety and security it offers members. Peter is pleased to be able to bring his experience and practical understanding of the risk, regulatory, and compliance areas to support the Society.

### Current Material External Positions

Non-executive director, Zempler Bank Limited

Director, Cornhill Consulting

### Previous Positions Include

Chief risk officer, OSB Group (OneSavings Bank)

Chief risk officer, Coventry Building Society



**Sian Hill**  
Non-Executive Director

Non-executive director since 2020. Committees: Audit, Remuneration

### Skills and Experience

Sian Hill is a fellow of the Institute of Chartered Accountants in England and Wales. She worked at KPMG for many years, including over 20 years as a financial services tax partner advising a broad range of financial institutions. She retired from KPMG in June 2018.

### Current Material External Positions

Non-executive director, Cordiant Digital Infrastructure Limited

Non-executive director, Apollo Syndicate Management Limited

Non-executive director, Yealand Fund Services Limited

Trustee of Place2Be, a leading UK children's mental health charity

### Previous Positions Include

Partner, KPMG



**Elaine Lenc**  
Non-Executive Director

Non-executive director since 2019. Committees: Board Risk and Compliance, Nominations, Remuneration chair

### Skills and Experience

Elaine Lenc is a fellow of the Chartered Institute of Bankers in Scotland. She has had a lifelong career in financial services and held senior posts at National Australia Group Europe, latterly as director of customer remediation, but spanning IT and strategic change, products and marketing, retail, and business banking across four European banks.

### Current Material External Positions

Governor, Delta Academies in North Yorkshire

### Previous Positions Include

Director, Customer Remediation, National Australia Group Europe



**Steve Liddell**  
Non-Executive Director

Non-executive director since 2017. Committees: Audit chair, Board Risk and Compliance

### Skills and Experience

Steve Liddell is a fellow of the Institute of Chartered Accountants in England and Wales. He retired from Mazars LLP, where he was a financial services partner, in 2020. He previously worked for many years at KPMG and was the senior partner at the firm's Ipswich office from 2002 to 2006. Steve lives in Suffolk and has over 30 years' experience working with regulated businesses.

### Current Material External Positions

Non-executive director, Samsung Fire & Marine Insurance Company of Europe Limited

Non-executive director, Aspen Managing Agency Limited

Non-executive director, Aspen Insurance UK Limited

### Previous Positions Include

Partner, Mazars LLP

Partner, KPMG



**Steve Reid**  
Non-Executive Director,  
Deputy Chair

Non-executive director since 2016. Committees: Nominations, Board Risk and Compliance chair, Audit

### Skills and Experience

Steve Reid has spent his entire career in the financial services industry, focusing on retail banking and wealth management. During this time, he has held executive roles with the Woolwich Building Society, Barclays Bank PLC, National Australia Group Europe, and as CEO of Allied Irish Bank (UK).

### Previous Positions Include

CEO, Allied Irish Bank (UK)

# Corporate Governance

## Continued.



### Fiona Ryder

Non-Executive Director,  
Senior Independent  
Director,  
Whistleblowing  
Champion, Consumer  
Duty Champion

Non-executive director,  
since 2018. Committees:  
Board Risk and Compliance,  
Nominations

#### Skills and Experience

Fiona Ryder is a Fellow of the Royal Society of Arts with over 25 years' experience across the broadcasting, digital, and commercial sectors. She was previously the founding CEO of in-store marketing and communications company, The Cube Group, before its profitable sale in 2006 and, more recently, the Managing Director of Archant's local TV station for Norwich and environs. Fiona lives in Suffolk and is a parish councillor for Bramfield and Thorington P.C. She is also a trustee and treasurer for Bramfield Village Hall.

#### Current Material External Positions

Executive director,  
Bonza Music Ltd

#### Previous Positions Include

Managing director,  
Mustard TV Limited  
CEO, Cube Music Limited



### Richard Norrington

Chief Executive Officer

Board director since  
2016 and appointed chief  
executive officer 2016.  
Committees: Nominations

#### Skills and Experience

Richard Norrington has extensive leadership experience in the financial services sector, in a career spanning over three decades. He spent 16 years with Barclays Bank PLC and, more recently, ten years at Clydesdale & Yorkshire Bank, where, as regional director, he was responsible for the East of England area. He is passionate about the Society's social purpose and mutual values.

#### Previous Positions Include

Regional director,  
Clydesdale & Yorkshire Bank



### Paul Johnson

Chief Financial Officer

Board director since 2020

#### Skills and Experience

Paul Johnson joined the Society in June 2020. He was previously head of finance at Vanquis Bank for six years and a senior finance officer at Citi for 15 years, where he held various roles, including CFO of the UK Consumer business. Prior to that, Paul held a number of financial controller roles, including the broker subsidiary of Société Générale, and started his career at Deloitte. Paul is a fellow of the Chartered Association of Certified Accountants.

#### Previous Positions Include

Head of finance,  
Vanquis Bank

Chief financial officer,  
UK Consumer Citi



### Rebecca Newman

Chief Operating Officer

Board director since 2022

#### Skills and Experience

After qualifying as a solicitor in 2008, Rebecca Newman acted as legal counsel in the financial services industry for over seven years before joining the Society in 2015 as society secretary with responsibility for Board governance. She soon became legal counsel and then chief of staff, developing the corporate governance framework to include ambitious programmes on ESG, diversity and inclusion, and employee performance. Rebecca joined the Board as chief operating officer in May 2022.

#### Previous Positions Include

Legal counsel,  
AXA Liabilities Managers

# Corporate Governance

## Continued.

The revised UK Corporate Governance Code (the Code) was published in January 2024. The Code sets out several principles that emphasise the value of good corporate governance to an organisation's long-term sustainable success. It is aimed at listed companies; therefore, the Society is not specifically required to comply. However, the Society is committed to maintaining best practice in corporate governance and so applies the Code in a proportionate way. The 2024 Code applies to accounting periods beginning on or after 1 January 2025, except Provision 29, which applies to accounting periods beginning on or after 1 January 2026. This report, therefore, continues to consider the 2018 version of the code and explains the actions that the Society has taken under each Code principle. The Board and Nominations Committee have considered the limited revisions to the Code in 2024 and will ensure all relevant updates are implemented going into the next financial year. The Code principles are provided in italicised text.

### Board Leadership and Purpose

- A. *A successful company is led by an effective and entrepreneurial board whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.*

The Board of Directors' focus is to ensure the long-term sustainability of the Society for the good of our members. We do this by setting the strategy to meet the needs of our members, remain competitive, and deliver our services profitably to help build our capital over the long term. The Board formulates the strategy, reviews business performance, oversees the identification and management of risks and adherence to laws and regulations, and ensures that the required controls are in place and aligned with our strategy. The results achieved by the Society over recent years are a testament to the Board's effectiveness.

In 2025, the Board of Directors met

eight times, with an additional day dedicated to strategy. These meetings take place in person and virtually throughout the year. Board meetings have a formal schedule, with papers circulated in a timely manner to ensure that Board members can perform their duties effectively. The Board receives a direct channel of communication and reporting from the Risk function's standing agenda item. Minutes record details of Board, Board Committee, and management meetings.

In 2023, an independent third party, FinWell Coaching & Consulting Limited, conducted an external Board effectiveness review.

The review concluded that the Board was effective, with a proportionate corporate governance framework that facilitates high-quality decision-making. It also noted several recommendations, which were implemented by the Board. These included some minor enhancements to Board reporting and further development of the Board Skills Matrix and succession planning.

- B. *The Board should establish the company's purpose, values, and strategy, and satisfy itself that these and its culture are aligned.*

All directors must act with integrity, lead by example, and promote the desired culture.

The Board chair is responsible for leading the Board in the development of the Society's culture, and the chief executive oversees its adoption. The Board is responsible for establishing the Society's purpose and values and creating a culture that delivers a sustainable long-term strategy for the benefit of current and future generations of members. The Society considers all non-executive directors to be independent.

The Board regularly reviews key performance indicators to monitor the Society's culture. This includes data on complaints, member survey outcomes, and staff. Internal Audit also

independently considers culture as part of its annual assessment of the Society's governance, risk, and control framework.

As part of the Senior Managers Regime, directors must provide relevant information to enable the Society to annually certify that they remain fit and proper to continue in the role. During the year, no conduct breaches have been reported by the Society.

An annual report on the effectiveness of the Society's whistleblowing procedures was presented to the Board, and the Board was satisfied that arrangements are in place to enable individual employees to raise concerns about possible improprieties confidentially.

- C. *The Board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.*

The Society operates an Enterprise Risk Management Framework (ERMF). Four committees report directly to the Board: the Board Risk and Compliance Committee, and Audit Committee meet at least quarterly, and the Remuneration Committee and Nominations Committee meet at least twice a year. The Chair of each committee provides a verbal report to the Board, highlighting key issues for Board review.

In addition, the Society has an Executive Risk Committee, which is its second line of defence and reports to the Board Risk and Compliance Committee.

There are three first-line management committees: the Assets and Liabilities Committee, Retail Credit Risk Committee, and Operational and Conduct Risk Committee. All three meet nine times a year. The terms of reference for the committees are available from the Society's secretary upon request.

# Corporate Governance

## Continued.

### **Board Committees**

#### **Board Risk and Compliance Committee**

The role of the Committee is to act as a second line of defence to the Society's risk management framework. The Committee assists the Board in fulfilling its oversight responsibilities by receiving regular reports from the Executive Risk Committee. These enable it to assess the risks involved in the Society's business (including risks that could threaten its business model, future performance, solvency, or liquidity) and to consider the principal risks identified by management and if they are appropriate. It reviews the Society's ICAAP and Internal Liquidity Adequacy Assessment Process (ILAAP) prior to review by the full Board. The Committee is responsible for ensuring the Society complies with the Board's risk appetite. It reviews the Society's future risk strategy for economic, capital, liquidity, reputational, and operational risk profiles. The Committee uses a variety of internal and external sources to make these assessments.

#### **Audit Committee**

The Committee's purpose is to oversee the Society's financial reporting arrangements, the effectiveness of its internal controls, and the internal and external audit processes. The Committee approves matters and reports to the Board on its activities or makes recommendations where appropriate.

The Committee meets with the external and internal auditors at least annually without the executive directors or senior management present. The Board is satisfied that Committee members have specialist expertise, including recent and relevant financial and risk management expertise.

Below are the key responsibilities of the Audit Committee and details of how they have discharged these responsibilities this year.

- Financial reporting including:
  - Monitoring the integrity of the Society's financial statements and reviewing critical accounting policies, judgements, and estimates.
  - Reviewing the appropriateness of the going concern basis for preparing the accounts.
  - Providing advice to the Board on whether the Annual Report and Accounts, taken as a whole, are fair, balanced, understandable, and include the information necessary for members to assess the Society's position and performance, business model, and strategy.

The Committee considered the following significant judgements and estimates. It also reviewed reports from external auditors and management. More details on the principal judgements and accounting estimates are set out in note 1 of these accounts.

#### Allowance for Impairment Losses on Loans and Receivables

Determining the appropriateness of an allowance for impairment losses involves judgement and requires management to make a number of assumptions about default rates, likely asset recoveries, and other factors. The loan loss impairment provisions recorded by the Society as of 30 November 2025 were £0.5m (2024: £0.4m). The effect of climate change in relation to impairment was considered and tested as part of the ICAAP but is not considered significant.

The Committee considered and challenged the provisioning methodology applied by management. The Committee was satisfied that the impairment provisions were appropriate.

#### Effective Interest Rate (EIR):

Applying the EIR method of accounting requires judgement, and the accounting entries involve estimates based on key assumptions, particularly customer behaviour at the end of the fixed term

of their products. The Statement of Financial Position as of 30 November 2025 includes the recognition of a net EIR adjustment of £0.8m (2024: £1.0m).

The Committee spent time understanding and challenging management's judgements and methodology in determining the EIR. The Committee agreed that management's judgements were appropriate for the year ending 30 November 2025.

#### Hedge Accounting

The Society has implemented hedge accounting in line with FRS 102. The designated macro hedges require matching, hedge effectiveness documentation and testing, and fair valuing of both the hedged instrument and the underlying hedged item.

#### Retirement Benefit Obligations

The Society makes significant judgements when calculating the present value of retirement benefit obligations payable to members of the scheme. The principal assumptions relate to mortality, price inflation, discount rates and pension increases. From an accounting perspective, the pension scheme asset recorded on 30 November 2025 was £62k (2024: £189k liability). The Committee considered the assumptions based on advice from our actuaries and is satisfied that they are reasonable.

#### Property Revaluation

The Society's Accounting Policy requires a full valuation of its freehold properties every five years with an interim valuation after three years. The Directors must also satisfy themselves that the freehold properties are valued appropriately on the years where there is no formal valuation. The Society last instructed Fenn Wright to perform a formal valuation of the five freehold properties the Society owns in 2023, which resulted in a

# Corporate Governance

## Continued.

downward valuation of £111k across the whole portfolio. For 2025, management believes that the carrying value of the Society's freehold property is appropriate and materially accurate.

### Accounting Policies

The Committee examined the Society's accounting policies to ensure they were appropriate and consistently applied. They also confirmed that the policies comply with applicable Accounting Standards, specifically FRS 102.

### Going Concern

The Committee considered a paper from management covering the Society's current and projected liquidity and capital position, together with potential risks that could impact the business as well as consideration of potential stress scenarios. This covers the 12-month period following sign-off of the financial statements. Based on its review, the Committee concluded that the adoption of the going concern assumption to prepare the financial statements remains appropriate, being 12 months from the signing date of the financial statements.

### 2025 Annual Report

The Committee considered whether the 2025 Annual Report, when taken as a whole, is fair, balanced, and understandable and whether it provides the necessary information for members to assess the Society's performance, business model, and strategy. The Committee was satisfied that the report meets this requirement and, in particular, that appropriate disclosure has been included for both positive and negative developments in the year. Consequently, in February 2026, the Committee recommended that the final 2025 Annual Report be approved by the Board.

### External audit

In respect of external audit, the Committee is responsible for:

- o Reviewing the continued objectivity and independence of external auditors, including the

level and appropriateness of non-audit services, and assessing the effectiveness of the annual audit process.

- o Considering the external audit firm's appointment, removal, performance, and remuneration.
- o Making recommendations to the Board about the appointment of the external auditor.
- o Considering the planning, scope, and findings of the annual external audit, as well as the receipt of and responses to control deficiencies identified by the auditors.

During the year, the Committee reviewed BDO's audit plan and received the Audit Completion Report prepared at the end of the 2025 audit in February 2026.

The Society has a policy to ensure that the external auditor is only appointed to perform non-audit services that do not impair its independence.

### Internal Controls and Risk Management, Including:

- o Reviewing the adequacy and effectiveness of the Society's internal financial controls and internal control and risk management systems in conjunction with reviewing reports produced by internal and external audits.
- o Reviewing the statements to be included in the Annual Report concerning internal controls and risk management.

Certain risk management controls are reported through the Board Risk and Compliance Committee rather than the Audit Committee.

The Committee was satisfied that internal controls over year-end financial reporting were appropriately designed and operating effectively.

### Internal Audit

In respect of internal audit, the Committee is responsible for:

- o Considering and approving the annual audit plan.
- o Considering finalised internal audit reports and management's responses to recommendations.
- o Considering the appointment, removal, performance, and remuneration of the internal audit firm.
- o Reviewing the annual conclusion on the governance, risk, and control framework.

The internal audit is outsourced to Deloitte LLP. For the year ending 30 November 2025, seven internal audit reports were issued, covering a variety of risks, such as treasury risk management, the quality of lending decisions made, and the Society's operational resilience. The findings from each individual review, including management responses, are presented to the Audit Committee.

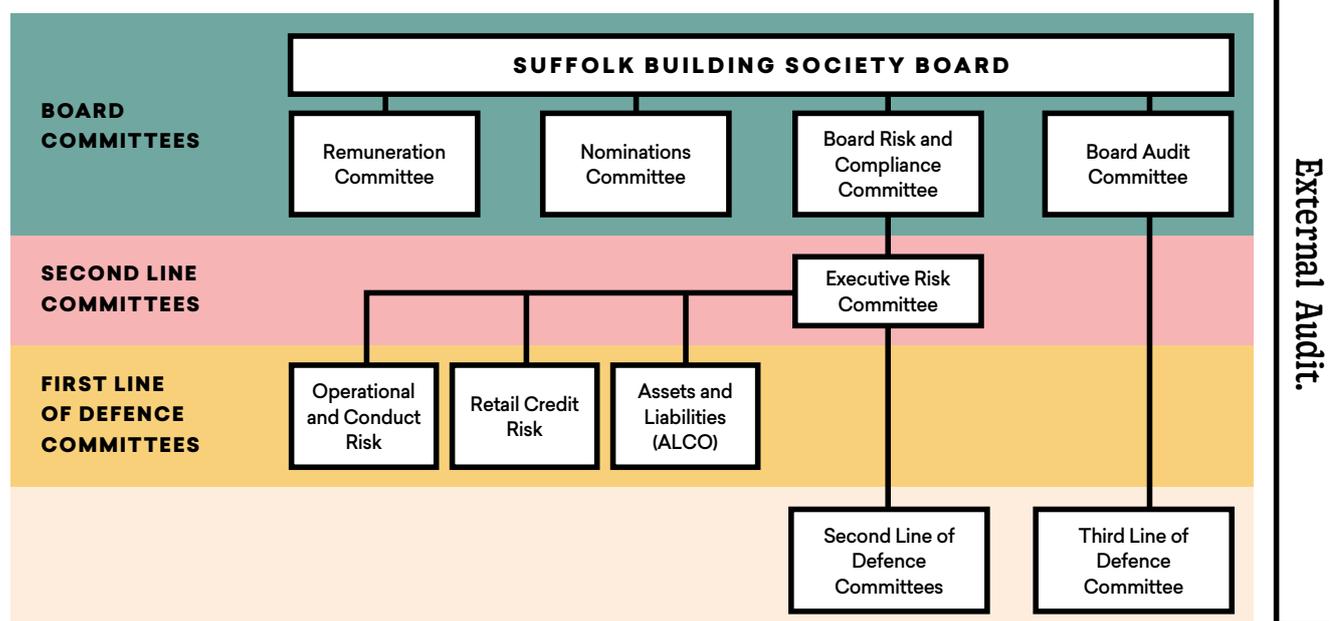
The Committee considers the adequacy of management responses and the implications of significant findings for the effectiveness of the overall internal control system and the risk management framework.

### **Nominations Committee**

The Committee is responsible for making recommendations to the Board on matters relating to the composition of the Board and senior management. This includes succession planning for the Board and senior management, the appointment of new directors, the election and re-election of directors, and the chief executive's annual appraisal. The Committee also considers the results of Board performance reviews and any action required.

The Committee ensures that any Board recruitment and succession planning complies with the Board's Diversity and Inclusion Policy, which emphasises the need for its membership to reflect diversity in its broadest sense. The Society is a signatory to the Women in Finance Charter.

## Suffolk Building Society Members.



### Remuneration Committee

The Committee's main role is to approve the remuneration and incentive schemes for the Society's executive and senior management. The executive and the chair meet annually to review non-executive director fees, including those of the deputy chair, senior independent director, chair of the Audit Committee and chair of the Board Risk and Compliance Committee. The Remuneration Committee monitors the Society's progress in relation to diversity and inclusion. It receives annual reports on the Society's gender pay gap and talent management. It ensures a link between directors variable remuneration and the Society's aims on sustainability and diversity and inclusion.

The Directors' Remuneration Report can be found on page 31.

### Management Committees

#### Executive Risk Committee

The purpose of the Executive Risk Committee is to monitor and oversee the Society's risk profile in accordance with the ERMF and Board risk appetite. The Committee is part of the Society's second line of defence. The Committee supports the Board Risk and Compliance Committee by providing oversight of the adequacy of the Society's application and embedding ERMF tools and processes.

The Executive Risk Committee reports to the Board Risk and Compliance Committee.

#### Assets and Liabilities Committee

This Committee manages wholesale credit risk (the risk of default on assets), capital risk, liquidity risk (the risk that the Society will not be able to meet its financial obligations), financial reporting risk, and interest rate risk (which arises from a mismatch between interest rate characteristics). The Committee is responsible for ensuring the Society operates within the agreed parameters set out in the Board's Liquidity and Financial Risk Management Policies. The Committee reviews the relevant risk appetite profiles and metrics to ensure that the Society operates within the Board-approved risk appetite. It refers any relevant matters or recommendations for amendments to risk metrics to the Executive Risk Committee.

#### Operational and Conduct Risk Committee

The Committee manages operational and conduct risk. Operational risk is the risk of loss through inadequate or failed internal processes or systems, including human error or external events. Conduct Risk is the risk that the Society's behaviour results in inappropriate or poor outcomes for customers. The Committee reviews the relevant risk appetite profiles

and metrics to ensure that the Society operates within the Board-approved risk appetite. It refers any relevant matters or recommendations for amendments to risk metrics to the Executive Risk Committee.

#### Retail Credit Risk Committee

Retail credit risk arises when losses are incurred through non-repayment of mortgage lending. This Committee is responsible for monitoring the Society's high-level policy on lending and ensuring that the Society operates within the Board-approved risk appetite. This includes ensuring the mortgage assets stay within agreed Board-approved levels, including reference to the PRA's Specialist Sourcebook for Building Societies. The Committee reviews the Society's Lending Policy Statement, ensuring this aligns with our risk appetite, and recommends changes to the policy to the Board for approval. It refers any relevant matters or recommendations for amendments to risk metrics to the Executive Risk Committee.

D. In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.

# Corporate Governance

## Continued.

The Society does not have shareholders in the same way as a listed company; as a mutual society our members are our shareholders. Listening to and engaging with members in the Society's activities is an important part of our culture. The Society is committed to regular dialogue with members through frequent newsletters, social media, and events such as the AGM. At the AGM, members are invited to attend, ask questions, and vote on their opinions.

The Society actively seeks member feedback through its use of Smart Money People. Members visiting branches and the Society's intermediary customers are invited to leave feedback via an online survey. The results of these surveys have been presented to the Board for review. This dialogue with members aims to understand and better serve their needs. Member feedback has been instrumental in setting the Society's strategic direction.

Workforce engagement is facilitated by the executive directors using a variety of methods. The Executive team holds monthly staff briefings (both online and face-to-face) and, at least once a year, holds an all-staff meeting where the Society's strategic direction and objectives are communicated to staff. Forums are also held with branch and Head Office teams, allowing all staff the opportunity to raise any concerns or thoughts on matters ranging from the Society's strategic direction and new initiatives to improvements the Society should consider making.

In practical terms, Board papers comment on the potential impact of a proposal to various stakeholders, including members. This helps the Board to act in the best interest of members and be cognisant of wider stakeholder needs. The Board is mindful of the importance of member and workforce engagement and will consider enhancing this further going forward.

We continue to be actively engaged with our communities, particularly through our strategic partnerships with five local organisations. Society employees are encouraged to spend four hours a month volunteering with local organisations that align with the Society's mission. This year has seen renewed focus on community engagement and volunteering through the Society's '175 Good Deeds for Suffolk' campaign.

We value our transparent and open relationship with our regulators and have regular dialogue with them directly and through our industry bodies. We review regulatory publications from both the regulators and wider stakeholder groups and take action as required.

*E. The Board should ensure that workforce policies and practices are consistent with the organisation's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.*

Employee policies and practices are regularly reviewed to ensure they remain consistent with the Society's values and the relevant legal framework. Workforce policies and practices are available for all employees to access via a central repository, with the HR team available to provide support.

The Society uses an anonymous online survey called Empowered to measure employee engagement. These surveys are conducted regularly, and the results are presented to the Board. Based on the survey responses, a management action plan is prepared to progress any areas for improvement, and this is communicated with staff. Empowered also allows employees to raise any issue or question anonymously at any time.

The Society has continued to operate a Hybrid Working Policy for staff who can conduct their roles remotely.

Employee wellbeing remains a key focus for the Society. The Society has provided support to employees

in several ways, including access to an Employee Assistance Programme offering confidential counselling and advice on a wide range of work and personal issues.

### Division of Responsibilities

- F. The chair leads the Board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely, and clear information.*
- G. The Board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the Board's decision-making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the company's business.*

The separate roles for chair and chief executive are held by different people. Each role has its own job description approved by the Board. No individual has autonomous decision-making powers. The Board annually appoints the role of chair.

Below is a summary of each role:

## Chair.

- **Leadership of the Board, setting the tone of organisational culture and values.**
- **Ensuring the Board is effective in its duties.**
- **Setting and monitoring the strategic direction and risk appetite.**
- **Ensuring long-term sustainability of the Society.**
- **Development and evaluation of the Board of Directors.**
- **Leading open and honest debate and encouraging challenge in Board meetings.**
- **Liaising with regulators as appropriate.**

**Peter Elcock is the incumbent Society chair.**

## Role of the Deputy Chair

Steve Reid is the Society's deputy chair. The deputy chair acts as a sounding board for the chair and undertakes the chair's annual appraisal with the senior independent director. They also stand in for the chair if they cannot attend a meeting or perform their duties.

## Role of the Senior Independent Director

Fiona Ryder is the Society's senior independent director. The senior independent director is available for members to refer issues to that they have not been able to resolve via the chair, chief executive, or other executive directors, or for matters where it is not appropriate to raise these issues directly with these directors. The senior independent director also assists the deputy chair in performing the chair's appraisal.

Fiona Ryder is also the Society's whistleblowing champion, providing an independent point of contact for

members of staff who may wish to raise issues. She is also the Board's Consumer Duty champion, supporting the chair and CEO in ensuring the Duty is raised in all relevant Board discussions and challenging management on how the Society continues to focus on consumer outcomes.

## Chief Executive.

- **Implementation of the Board strategies and policies with support of the Executive team.**
- **Ongoing management of the Society guided by risk management.**
- **Implementing and monitoring processes, people, and systems to ensure effective delivery of corporate plans and budgets.**
- **Developing an effective working relationship with the chair and Board of Directors.**
- **Developing positive relationships with regulators, media, trade organisations, and other building societies to promote the Society and lobby on key issues in the corporate strategy.**

**Richard Norrington is the incumbent Society CEO.**

## Role of the Executive Team

The Executive team works with the chief executive and Board to effectively implement strategies and policies within agreed budgets and time frames. It holds a leadership role within the business, ensuring the correct culture is embedded and that the relevant resources, people, and systems are utilised efficiently and to the aims of the corporate strategy and policies set by the Board. It is also responsible for developing employees, delivering consistent, high-quality customer service standards, implementing effective systems within the business, and reporting and tracking progress towards our key performance and results indicators. The Executive team is also responsible for designing,

operating, and monitoring risk management systems and controls.

*H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice, and hold management to account.*

The Society's non-executive directors are drawn from a wide range of backgrounds to ensure that the Board has the appropriate skills, knowledge, and experience to provide a robust level of challenge and debate. The role requires an understanding of business risks, commercial leadership within a framework of prudent and effective risk management controls, and the ability to monitor performance and resources while supporting the Executive team in developing the Society.

The Society has a succession plan for all non-executive director positions. Directors are informed of the time commitment in their letters of appointment. Prior to appointment, the Nominations Committee evaluates the ability of directors to commit the time required for their role, considering information provided by referees. Once appointed, a process is put in place to approve new requests to take up roles elsewhere.

The Society has a process for evaluating the performance and effectiveness of individual non-executive directors. This appraisal process includes a 360-degree questionnaire and feedback from all non-executive directors. The chair is evaluated by the deputy chair with assistance from the senior independent director.

The chief executive evaluates the chief financial officer and the chief operating officer as members of the Executive team. The chair and the deputy chair assess the chief executive's performance.

# Corporate Governance

## Continued.

*l. The Board, supported by the company secretary, should ensure that it has the policies, processes, information, time, and resources it needs in order to function effectively and efficiently.*

The chair ensures that the Board receives sufficient information to discharge its responsibilities. The Society continuously

improves management information to assist its committees in discharging their terms of reference, and each committee conducts an internal effectiveness review annually. Internal audit reviews the adequacy of the information provided to the Board.

The Society provides a formal induction for new directors. This includes the

nature of building societies, directors' responsibilities and duties, the management information they will be provided with and how to interpret this, information on the Society and the local market, an overview of the regulatory requirements, and details of significant current issues for the industry.

### Directors Attendance 2024/2025

Name/Title	Board Meetings	Audit Committee	Board Risk and Compliance Committee	Remuneration Committee	Nominations Committee
<b>Peter Elcock</b> Chair	8(8)*	–	–	3(3)	2(2)*
<b>Sian Hill</b> Non-Executive Director	8(8)	6(6)	–	3(3)	–
<b>Elaine Lenc</b> Non-Executive Director	8(8)	–	5(5)	3(3)*	2(2)
<b>Steve Liddell</b> Non-Executive Director	8(8)	6(6)*	5(5)	–	–
<b>Steve Reid</b> Non-Executive Director	8(8)	6(6)	5(5)*	–	2(2)
<b>Fiona Ryder</b> Non-Executive Director	7(8)	–	5(5)	–	2(2)
<b>Richard Norrington</b> Chief Executive Officer	8(8)	–	–	–	2(2)
<b>Paul Johnson</b> Chief Financial Officer	7(8)	–	–	–	–
<b>Rebecca Newman</b> Chief Operating Officer	8(8)	–	–	–	–

\* Denotes chair of the committee.

– not a member of the committee.

It should be noted that in addition to attendance at the above meetings, both executive and non-executive directors have been invited on occasion to attend committees of which they are not members.



The chair and society secretary ensure that non-executive directors receive internal briefings, access online training modules, and attend industry seminars and conferences in order to continually update their skills and knowledge. In addition, prior to their appointment, all new senior managers undergo a comprehensive handover process to ensure they are fully aware of the specific responsibilities relating to their individual roles.

The Society secretary provides support on corporate governance matters, and individual Board members can access independent advice if necessary.

*J. Appointments to the Board should be subject to a formal, rigorous, and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths.*

The Society makes non-executive director appointments on merit, based on the specific skills and experience required under the succession plan.

The Nominations Committee meets as necessary to oversee the Board succession plan. The Society has appointed an independent executive search agency to identify and shortlist candidates for positions on the Board as required. This agency follows a methodical process for searching and shortlisting candidates to conduct a broad search of the marketplace. The Nominations Committee leads the recruitment process, although the Board makes the final decision. There were no appointments to the Board during 2025.

All directors must meet the tests of fitness and propriety designed by the Financial Conduct Authority and the Prudential Regulation Authority and are required to notify the regulators. Prior to appointment, all directors undergo basic disclosure and barring checks. Senior managers (including non-executive directors) with responsibilities for specific areas of business allocated to them must be pre-approved by the regulator.

The Society is committed to diversity and currently has a 40% (2024: 40%) female representation on the whole Board. The Society has signed up to the Women in Finance Charter. The initial target was for the Society to have 40% female representation in senior management by November 2024.

Because of limited changes in senior management personnel over the last two years, the Society has not been able to achieve this target. There was 25% female representation as of 30 November 2025. It has now set a revised target to have 40% female representation in senior management by November 2027.

*K. The Board and its committees should have a combination of skills, experience, and knowledge. Consideration should be given to the length of service of the Board as a whole, and membership regularly refreshed.*

As of 30 November 2025, the Board consisted of six non-executive directors (including the chair) and three executive directors, providing a balance of skills and experience appropriate for the requirements of the Society. The member mix of the Board and committees is reviewed annually by the Nominations Committee to ensure that appropriate expertise and skills are maintained.

The Board is required to assess the independence of all directors on the Board. It remains satisfied that all directors demonstrate objective judgment and constructive challenge.

# Corporate Governance

## Continued.

The Code recommends that directors do not serve longer than nine years on the Board.

During 2026, Steve Liddell is expected to retire from the Board as a result of tenure. Steve Reid has now served nine years on the Board; however, he will remain in post to allow sufficient time for recruitment of a successor. The Code recommends annual re-elections for all directors, and in line with good governance, all directors will be put forward for annual re-election.

*L. Annual evaluation of the Board should consider its composition, diversity, and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.*

Annually each non-executive director has a performance appraisal carried out by the chair. The chair's performance appraisal is completed by the deputy chair and senior independent director, taking into account the views of all the directors. The non-executive directors and chair give feedback to the Board on general issues of performance.

The 2023 Board effectiveness review noted the progress made since the last external review in 2018. It included some recommendations to support further enhancements to good governance in the context of the Society's strategic ambitions, which the Board implemented in 2024.

An annual internal Board performance review was conducted in 2025, with the findings considered by the Nominations Committee. The results showed the Board and its sub-committees continue to operate effectively, with some minor enhancements to take forward into 2026.

*M. The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions*

*and satisfy itself on the integrity of financial and narrative statements.*

The Audit Committee comprises three independent non-executive directors. The executive directors, the chief risk officer, and representatives from the internal and external auditors attend by invitation. The chair is not a member but may attend by invitation.

The Audit Committee meets at least four times a year, and once a year, the external and internal auditors meet the Committee without the presence of the executive directors. Further details about the responsibilities of the Audit Committee and how it discharges those responsibilities are set out under section C above.

*N. The Board should present a fair, balanced, and understandable assessment of the company's position and prospects.*

The responsibilities of the directors in relation to the preparation of the Society's accounts and the statement that the business is a going concern can be found in the Directors' Report on page 33 and Statement of Directors' Responsibilities on page 34.

*O. The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.*

Under the Building Societies Act 1986 and the Financial Services and Markets Act 2000, the directors are responsible for establishing and maintaining appropriate control systems for the business. Executive management is responsible for designing, operating, and monitoring risk management systems and controls.

Each Board and management committee is responsible for the risks and controls within its remit. The Board Risk and Compliance Committee assesses the adequacy of this process on behalf of the Board. The internal audit provides

independent assurance to the Board on the effectiveness of the system of internal control through the Audit Committee.

The Board has reviewed the effectiveness of the ERMF and concluded that the Society has a strong risk management and compliance culture and that the current framework is effective and appropriate for the size and complexity of the business.

The information received and considered by the Audit Committee provided reasonable assurance that, during the financial year, there were no material breaches of control or regulatory standards and that, overall, the Society maintained an adequate system of internal control.

The Directors' Remuneration Report, on page 31, explains how the Society complies with the Code Principles regarding remuneration.

**Peter Elcock**  
**Chair of the Board**

10 February 2026

# Directors' Remuneration Report.

This Director's Remuneration Report sets out the Society's approach to remuneration and financial wellbeing of all staff members, including the remuneration of executive and non-executive directors. We are a mutual organisation, hence our approach to remuneration aims to support the long-term financial strength of the Society.

The remuneration of directors is detailed in note 6 of the accounts on page 53. All members eligible to vote at the Society's Annual General Meeting will have the opportunity to approve the Remuneration Report through an ordinary resolution (non-binding). The 2024 Report received a 90.2% positive vote.

This Report explains how the Society considers compliance with the regulatory framework for remuneration, including the PRA Rulebook, the FCA Handbook, and the principles of the UK Corporate Governance Code as far as they apply to a mutual organisation of its size. The Society has adopted a Remuneration Policy which complies with the relevant elements of the FCA Remuneration Code and the PRA Remuneration Policy.

## Our Approach

The Board has established a Remuneration Committee where membership is solely comprised of non-executive directors, all of whom are also members of the Society. Other individuals, such as the chief executive officer and chief operating officer, may be invited to attend all or part of the meeting as required. Reports and minutes of the Committee's meetings are circulated to all members of the Committee, and the chair of the Committee reports at the Board meeting following a Committee meeting.

The Committee ensures that remuneration aligns with the Society's values, culture, corporate objectives, and performance. It also oversees the Society's implementation of key values relating to diversity and inclusion, including updating the Board on the Society's gender pay gap and progress

towards Women in Finance Charter targets. In addition, the Board is regularly updated on aspects relating to the Society's culture, including consideration of internal or external changes that may significantly impact our team members or culture.

## 2025 – Pay Decision

When determining the approach to remuneration throughout 2025, the Committee continued to be mindful of the performance of the Society, the individual responsibilities of directors, and the pay and employment conditions both internally and externally. The Committee remains mindful that the Society must continue to compete to attract and retain team members against other employers in the local area and support appropriate levels of remote working. 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 (2024: 10.1). We continue to work towards improving this metric where opportunities arise.

In June 2025, the Board approved the

Executive team's recommendation that salaries for all employees should be increased by at least 3% with effect from 1 June 2025. Other salary adjustments were made for career progression or significant changes in responsibilities. Executive directors received a 3% salary increase in line with all staff.

During 2025, the Society introduced a scheme to allow employees to purchase additional holiday as part of a salary sacrifice scheme. During 2026, this will be expanded to include pension contributions.

Results at the end of the year indicate that the Society achieved a solid underlying financial performance with positive customer experience scores. The Strategic Report provides more information on the performance of the Society during 2025. The Society will pay a bonus for grade A to D employees. The amount paid to an individual employee is based on their individual performance throughout the year and is measured via the Society's performance appraisal process. The Society measures performance against role objectives and the Society's Core Behaviour framework.



# Directors' Remuneration Report.

## Continued.

### Non-Executive Directors

The fees payable to non-executive directors are 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 and 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 performance-related pay 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 have any beneficial interest, or any rights to subscribe to any instruments or shares of any connected undertaking of the Society.

### Basic Salary

Salaries are reviewed by benchmarking against jobs carrying similar responsibilities, from 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. 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 individual for any role at a rate of remuneration consistent with the Society's financial, business, and member objectives.

### Three-year Performance-related Pay (PRP) Scheme

A PRP scheme operated during the year for executive and Grade E employees. This was carefully designed to encourage the achievement of targets that maintain the financial strength and long-term sustainability of the Society. The PRP scheme currently allows a maximum of 20% of salary earned for the achievement of all targets set, which for 2025 were asset growth, 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. In addition, the Committee monitors the Society's progress concerning diversity and inclusion, and our environmental, social, and governance (ESG) aims. The Society's development in these areas is a key consideration when deciding on PRP. At least one-third of this payment is deferred for up to a three-year period. The Committee considers that this deferral period is appropriate to ensure consistent performance is delivered over the longer term.

### Pensions

The Society contributes 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 twelve months' notice to be given by the Society and six months' notice by the individual.



**Elaine Lenc**  
**Chair of the Remuneration**  
**Committee**

10 February 2026

# Directors' Report.

## Information presented in other sections of the Annual Report and Accounts

Certain information which is required to be included in the directors' report has been included in the separate strategic report.

This information is deemed to form part of the directors' report: the Society's profitability and financial position; the principal risks and uncertainties facing the business; outlook for the business; detailed financial risk management disclosures.

## Directors

- Peter Elcock – Chair
- Sian Hill – Non-Executive Director
- Elaine Lenc – Non-Executive Director
- Steve Liddell – Non-Executive Director
- Steve Reid – Non-Executive Director, Deputy Chair
- Fiona Ryder – Non-Executive Director, Senior Independent Director, Whistleblowing Champion and Consumer Duty Champion
- Richard Norrington – Chief Executive Officer
- Paul Johnson – Chief Financial Officer
- Rebecca Newman – Chief Operating Officer

From the 2025 AGM onwards, in line with the Society's Rules and good governance, all directors will retire and stand for re-election. At the year end no director had an interest in any shares or debentures of the Society.

## Other matters

### *Charitable & political donations*

The Society made charitable donations totalling £50.1k (2024: £50.4k) during the year. No contributions were made for political purposes.

The Society's Pillar 3 disclosure is available to read on its website at [suffolkbuildingsociety.co.uk/about/governance](http://suffolkbuildingsociety.co.uk/about/governance)

## Supplier payment policy

Our policy is to pay invoices on receipt of the completed provision or service unless staged payments are agreed in advance. We operate within the payment terms agreed upon with our suppliers. As of 30 November 2025, we had an average of 21 days' purchases outstanding in trade creditors (2024: 22 days).

## Going concern

The Board regularly engages in the forward planning of the business to ensure we meet the liquidity, capital, lending and retail savings balances defined in our corporate strategy and annual plan. Board members also consider our liquidity and capital requirements in further detail within our capital and liquidity adequacy

assessments; these include the results of placing both requirements under significant stress scenarios. As a result of these considerations, the directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future. For this reason, the accounts for the year ended 30 November 2025 continue to be prepared on a going concern basis, 12 months from the signing date of the financial statements.

## Auditor

In accordance with Section 77 of the Building Societies Act 1986, a resolution for the re-appointment of BDO LLP as auditor is to be proposed at the forthcoming AGM.

On behalf of the Board of directors

## Peter Elcock Chair

10 February 2026

# Statement of Directors' Responsibilities.

## Directors' responsibilities with respect to the annual report, annual business statement, directors' report and annual accounts.

The Directors are responsible for preparing the annual report, annual business statement, directors' report, and the annual accounts in accordance with applicable law and regulations.

The Building Societies Act 1986 ("the Act") requires the directors to prepare annual accounts for each financial year. Under that law, they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The annual accounts are required by

law to give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the income and expenditure of the Society for the financial year.

In preparing these annual accounts, the directors must:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual accounts;

- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the Society or cease operations or have no realistic alternative but to do so.

In addition to the annual accounts, the Act requires the directors to prepare, for each financial year, an annual business statement and a directors' report, each containing prescribed information relating to the business of the Society.

## Directors' responsibilities for accounting records and internal controls:

The directors are responsible for ensuring that the Society:

- keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society, in accordance with the Act; and
- takes reasonable care to establish, maintain, document, and review such systems and controls as are appropriate to its business in

accordance with the rules made by the Financial Conduct Authority and Prudential Regulation Authority under the Financial Services and Markets Act 2000.

The directors are responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps

as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

They are also responsible for maintaining the integrity of the corporate and financial information on the Society's website. The legislation in the UK governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

# Independent auditor's report to the members of Suffolk Building Society.

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 30 November 2025 and of the Society's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Building Societies Act 1986.

We have audited the financial statements of Suffolk Building Society (the 'Society') for the year ended 30 November 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Members' Interests, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs

(UK) and applicable law. Our responsibilities under those standards are further described in the

Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

opinion. Our audit opinion is consistent with the additional report to the audit committee.

## Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 9 July 2020 to audit the financial statements for the year ended 30 November 2020 and subsequent financial periods. The period of total uninterrupted engagement including tenders and reappointments is 6 years, covering the years ended 30 November 2020 to 30 November 2025. We remain independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Society.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included:

- Assessing the Director's assessment of going concern including supporting financial forecasts through review of key ratios such as net assets, capital and liquidity for any significant deterioration, indicating issues related to going concern;
- Challenging and evaluating the Directors' assumptions and judgements made in their base and stressed case scenario. In doing so, we agreed key assumptions such as forecast growth to historic actuals and

relevant market data and considered the historical accuracy of the Directors forecasts;

- Assessing how the Directors have factored in key external factors expected to impact the Society such as changes in interest rates and house prices, the current uncertain geopolitical and economic outlook, climate change and the corresponding economic impact, checking that these had been appropriately considered as part of the Directors' going concern assessment; and
- We read and evaluated the adequacy of the disclosures included in the financial statements in relation to going concern and considered whether there were other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

# Independent auditor's report to the members of Suffolk Building Society continued.

## Overview

<b>Key audit matters</b>	Mortgage Effective interest rate (EIR) estimates – Behavioural life assumption	2025 Yes	2024 Yes
	Impairment losses on loans and advances to customers – collateral equity haircut	Yes	Yes
<b>Materiality</b>	Society financial statements as a whole. £620,000 (2024: £606,000) based on 1.25% (2024: 1.25%) of Net assets (2024: Net assets)		

### An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Society's activities and the overall control environment. Based on this understanding, we assessed those aspects of the Society's transactions and balances which were most likely to give risk to a material misstatement.

#### Climate change

The disclosure of the Director's consideration of the impact of climate change on the risks to the Society is included in the Strategic Report and forms part of the Statutory other information. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities as set out in the "Other information" section of our audit report below.

In note 1, the Directors have explained how they have reflected the impact of climate change in their financial statements, and the significant judgements and estimates relating to climate change. These disclosures also explain the uncertainty regarding effects arising from climate change including the limited impact on accounting judgments and estimates for the current period under the requirements of the accounting standards. We have performed our own quantitative and qualitative risk assessment of the impact of climate change on the Society, taking into consideration the sector in which the Society operates and how climate change affects this particular sector. We reviewed minutes of Board Audit Committee meeting and other papers related to climate change and performed a risk assessment as to how they may affect the financial statements and our audit. Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent auditor's report to the members of Suffolk Building Society continued.

Key audit matter		How the scope of our audit addressed the key audit matter
<p><b>Mortgage Effective interest rate (EIR) estimates – Behavioural life assumption</b></p> <p>The Society's accounting policies are disclosed in Note 1.2 and explained in Note 1.14.</p> <p>As disclosed in Note 15 the EIR asset at year-end is £844k (2024: £1,023k).</p>	<p>The Society's mortgage interest income is recognised using an effective interest rate ("EIR") method in accordance with the requirements of the applicable accounting standards.</p> <p>This method involves adjusting fee and interest income to ensure it complies with the EIR method. While the models used to achieve this are not complex, they are reliant on the completeness and accuracy of input data.</p> <p>Significant management judgement is required to determine the expected cash flows for the Society's loans and advances within these models. The key judgemental assumption in the EIR models is the expected behavioural lives of residential and buy-to-let mortgages due to the impact on timing and quantum of expected future cash flows.</p> <p>Errors within the EIR models themselves or bias in key judgements and assumptions applied could result in the material misstatement of revenue.</p> <p>We therefore considered the behavioural life assumptions of the residential and buy to let portfolio within revenue recognition to be a fraud risk, and risk of material misstatement.</p>	<ul style="list-style-type: none"> <li>• We understood and tested the design of the Society's controls, both manual and automated, over revenue recognition, including key reconciliations and processes to ensure complete and accurate capture of fees, interest charges, customer payments and balances;</li> <li>• We assessed whether the revenue recognition policies adopted by the Society are in accordance with requirements of the applicable accounting framework. This included an assessment of the types of fees and costs being spread within the effective interest rate models versus the requirements of the applicable financial reporting standard;</li> <li>• We identified the key data elements within the EIR models, including the behavioural life model, and on a sample basis, we tested the completeness and accuracy of key data inputs being loan terms, repayment terms and upfront fees, by agreeing them back to underlying source data such as loan contracts;</li> <li>• We tested the functionality of the EIR models, including the behavioural life model, and assessed the consistency of the calculations with the accounting policy. We verified the arithmetic accuracy of the models by performing a detailed review of the logic, consistency and integrity of the formulae throughout the models and recalculated the model output for sample of months;</li> <li>• We assessed the reasonableness of the mortgage behavioural life assumptions and judgment used by management through peer comparison and consideration of recent historical experience of loan behavioural lives;</li> <li>• We critically evaluated and challenged whether any adjustments to the behavioural lives used in the EIR model were necessary to reflect expected changes in future redemption profiles including the impact of changing interest rates in the current economic environment.</li> </ul> <p><b>Key observations:</b></p> <p>Based on the procedures performed, we consider the behavioural life assumptions for mortgages included within the calculation of interest income to be reasonable.</p>

**Impairment losses on loans and advances to customers – collateral loss given default: equity haircut**

*The Society's accounting policies are detailed in Note 1.6 with details about judgements in applying Accounting policies and critical accounting estimates in Note 1.14.*

*As disclosed in Note 16, the collective impairment provision at year-end is £361k (2024: £385k).*

The Society accounts for the impairment of loans and advances to customers using an incurred loss model.

Estimating the collective loan loss provision requires significant management judgement and estimate in determining the value and timing of expected future cash flows.

In accordance with the recognition and measurement criteria of the applicable accounting standards, management has calculated a collective provision which is recognised for individual loans that do not show objective evidence of impairment but historical data indicates likelihood of future losses.

The equity haircut is the forced sales discount modelled in calculating the collective loan loss provision to reduce the collateral value of mortgages, increasing the loss given default.

The nature, time and extent of audit procedures performed to assess the reasonableness of the aforementioned assumption within the loss given default calculation of the collective provision model resulted in this being considered a key audit matter.

- We assessed the collective provision methodology against the requirements of the applicable financial reporting standard;
- We checked the completeness and accuracy of data inputs feeding into the model through agreeing them on a sample basis to underlying source data;
- We assessed the appropriateness of the model and its logical application and tested the integrity and mathematical accuracy of the model calculations;
- We challenged the appropriateness of the equity haircut assumption through a combination of benchmarking against comparable market information, sensitivity analysis and agreeing significant inputs to external data sources where applicable;
- We analysed the equity haircut assumption against actual historic recoveries and challenged management on the appropriateness of the equity haircut for different segments of the book;
- We performed a stand-back assessment of the overall provision and coverage to determine if it is reasonable and internally consistent;

**Key observations:**

Based on the procedures performed, we consider the equity haircut assumption made by management in calculating the collective loan loss provision to be reasonable.

# Independent auditor's report to the members of Suffolk Building Society continued.

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements,

and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2025 £	2024 £
<b>Materiality</b>	620,000	606,000
<b>Basis for determining materiality</b>	1.25% of Net assets	1.25% of Net assets
<b>Rationale for the benchmark applied</b>	We determined that Net assets was the most appropriate benchmark considering the different stakeholders. The benchmark closely corresponds to regulatory capital with regulatory stability considered to be a main driver for the Society as well as its purpose which is to optimise rather than maximise profits.	
<b>Performance materiality</b>	465,000	454,000
<b>Basis for determining performance materiality</b>	75% of materiality	75% of materiality
<b>Rationale for the percentage applied for performance materiality</b>	In determining performance materiality, we considered factors such as our assessment of the Society's overall control environment, and expected total value of known and likely misstatements, based on past experience.	

## Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £30,000 (2024: £30,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report

thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required

to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent auditor's report to the members of Suffolk Building Society *continued.*

## Other Building Societies Act 1986 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Building Societies Act 1986 and ISAs (UK) to report on certain opinions and matters as described below.

<b>Annual business statement and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>• The annual business statement and the Directors' report have been prepared in accordance with the requirements of the Building Societies Act 1986;</li> <li>• The information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>• The information given in the annual business statement (other than the information upon which we are not required to report) gives a true representation of the matters in respect of which it is given.</li> </ul> <p>In the light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.</p>
<b>Matters on which we are required to report by exception</b>	<p>We have nothing to report in respect of the following matters in relation to which the Building Societies Act 1986 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>• adequate accounting records have not been kept by the Society; or</li> <li>• the Society financial statements are not in agreement with the accounting records; or</li> <li>• we have not received all the information and explanations we require for our audit.</li> </ul>

## Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given on page 54 for the financial year ended 30 November 2025 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the

Society or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances

of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Society and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Society's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the Building Societies Act 1986, pension legislation, tax legislation and the accounting standards.

The Society is also subject to laws and

# Independent auditor's report to the members of Suffolk Building Society *continued.*

regulations where the consequence of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the requirements of the Prudential Regulation Authority (PRA), Financial Conduct Authority (FCA) and His Majesty's Revenue and Customs (HMRC).

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of legal correspondence and correspondence with regulatory authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;
- Meeting with the PRA;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred

## *Irregularities including fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Holding a fraud-focused discussion with BDO forensic specialists to supplement our assessment of how fraud might occur;
- Obtaining an understanding of the Society's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and

- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Conducting a review of correspondence with and reports from the regulators, including the PRA and the FCA;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and the accounting estimates related to EIR for behavioural life assumption.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Testing a residual sample of journals that do not meet our pre-defined risk criteria; and
- Assessing significant estimates made by management for bias (refer to the key audit matters section for procedures performed).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were deemed to have the appropriate competence and capabilities and remained alert to any indications of

fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the Society's members, as a body, in accordance with section 78 of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report 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, for our audit work, for this report, or for the opinions we have formed.

## **David Gonnelli**

(Senior Statutory Auditor)  
For and on behalf of BDO LLP,  
Statutory Auditor  
London, UK  
10 February 2026

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

# Statement of Comprehensive Income.

FOR THE YEAR ENDED 30 NOVEMBER 2025

	Notes	2025 £000	2024 £000
Interest receivable and similar income	2	<b>48,531</b>	49,738
Interest payable and similar charges	3	<b>(30,966)</b>	(32,532)
Net interest income		<b>17,565</b>	17,206
Fees and commissions receivable		<b>160</b>	141
Fees and commissions payable		<b>(203)</b>	(177)
Losses from other financial instruments at fair value through profit and loss	4	<b>(573)</b>	(176)
Other operating income		<b>65</b>	15
Total income		<b>17,014</b>	17,009
Administrative expenses	5	<b>(14,582)</b>	(14,505)
Depreciation and amortisation	17, 18	<b>(895)</b>	(846)
Other operating charges		<b>(6)</b>	(24)
Operating profit before impairment allowance and provisions	16	<b>1,531</b>	1,634
Impairment (losses)/gains on loans and advances to customers		<b>(129)</b>	520
Profit before tax	10	<b>1,402</b>	2,154
Tax on profit on ordinary activities		<b>(387)</b>	(351)
<b>Profit for the financial year</b>		<b>1,015</b>	1,803

**Other comprehensive income**

Actuarial gain/(loss) recognised in the pension scheme	9	<b>204</b>	(79)
- Movement in related deferred tax	13	<b>(51)</b>	20
Movement in fair value of debt securities		<b>89</b>	(95)
- Movement in related deferred tax	17	<b>(22)</b>	24
Revaluation loss on freehold property		-	-
- Movement in related deferred tax		-	-
Other deferred tax movement		<b>9</b>	9
<b>Total comprehensive income for the year</b>		<b>1,244</b>	1,682

Notes to the accounts can be found on pages 46 to 76.

# Statement of Financial Position.

AS AT 30 NOVEMBER 2025

	Notes	2025 £000	2024 £000
<b>Assets</b>			
Liquid assets			
Cash in hand and balances with the Bank of England	11	<b>82,441</b>	107,441
Loans and advances to credit institutions	12	<b>2,222</b>	3,353
Debt securities	13	<b>52,028</b>	46,841
<b>Total liquid assets</b>		<b>136,691</b>	157,635
Derivative financial instruments	14	<b>1,624</b>	5,736
<i>Loans and advances to customers</i>			
Loans fully secured on residential property	15	<b>811,579</b>	737,780
Other loans – loans fully secured on land	15	<b>589</b>	610
<b>Total loans and advances to customers</b>	15	<b>812,168</b>	738,390
Intangible fixed assets	17	<b>2,984</b>	3,382
Tangible fixed assets	18	<b>4,413</b>	4,525
Other assets	19	<b>1,091</b>	334
Prepayments	20	<b>608</b>	644
Net pension asset	9	<b>62</b>	–
<b>Total assets</b>		<b>959,641</b>	910,646
<b>Liabilities</b>			
Shares	21	<b>865,054</b>	783,746
Amounts owed to credit institutions	22	<b>5,052</b>	35,359
Amounts owed to other customers	23	<b>33,873</b>	33,475
Derivative financial instruments	14	<b>2,492</b>	1,074
Other liabilities	24	<b>743</b>	5,535
Accruals and deferred income	25	<b>1,462</b>	1,497
Deferred tax	10	<b>1,229</b>	1,279
Net pension liability	9	<b>–</b>	189
		<b>909,905</b>	862,154
<b>Reserves</b>			
General reserve		<b>48,771</b>	47,576
Revaluation reserve		<b>885</b>	903
Available-for-sale reserve		<b>80</b>	13
<b>Total liabilities and reserves</b>		<b>959,641</b>	910,646

Accounting policies and notes on pages 46 to 76 form part of the accounts.

Approved by the Board of Directors on 10 February 2026.

Peter Elcock, Chair

Richard Norrington, Chief Executive Officer

# Statement of Changes in Members' Interests.

FOR THE YEAR ENDED 30 NOVEMBER 2025

	General reserve 2025 £000	Revaluation reserve 2025 £000	Available-for- sale reserve 2025 £000	Total reserves 2025 £000
<b>At 1 December 2024</b>	<b>47,576</b>	<b>903</b>	<b>13</b>	<b>48,492</b>
<i>Total comprehensive income for the year</i>				
Profit for the year	1,015	–	–	1,015
Other comprehensive income	153	9	67	229
Transfer between reserves	27	(27)	–	–
	<b>1,195</b>	<b>(18)</b>	<b>67</b>	<b>1,244</b>
<b>At 30 November 2025</b>	<b>48,771</b>	<b>885</b>	<b>80</b>	<b>49,736</b>

Notes to the accounts can be found on pages 46 to 76.

	General reserve 2024 £000	Revaluation reserve 2024 £000	Available-for- sale reserve 2024 £000	Total reserves 2024 £000
At 1 December 2023	45,804	922	84	46,810
<i>Total comprehensive income for the year</i>				
Profit for the year	1,803	–	–	1,803
Other comprehensive income	(59)	9	(71)	(121)
Transfer between reserves	28	(28)	–	–
	<b>1,772</b>	<b>(19)</b>	<b>(71)</b>	<b>1,682</b>
At 30 November 2024	47,576	903	13	48,492

# Statement of Cash Flows.

FOR THE YEAR ENDED 30 NOVEMBER 2025

	Notes	2025 £000	2024 £000
<b>Cash flows from operating activities</b>			
Profit before tax		<b>1,402</b>	2,154
<i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	17, 18	<b>895</b>	846
Impairment (gains)/losses on loans and advances to customers	16	<b>127</b>	(520)
Changes in fair values of financial instruments at fair value through the Statement of Comprehensive Income	4	<b>573</b>	176
Movement in premium in debt securities		<b>238</b>	(298)
<b>Net cash generated by operating activities</b>		<b>3,235</b>	2,358
<b>Changes in operating assets and liabilities</b>			
Decrease/(Increase) in prepayments and accrued income	13, 20	<b>511</b>	(310)
Decrease in accruals and deferred income	25	<b>(35)</b>	(135)
Decrease/(Increase) in other assets	19	<b>(1,059)</b>	307
Decrease in other liabilities	24	<b>(4,862)</b>	(6,196)
Net pension scheme payment	9	<b>(47)</b>	(53)
Increase in loans and advances to customers	15	<b>(69,257)</b>	(4,356)
Taxation paid	10	<b>(129)</b>	(1,065)
Movement in Shares	21	<b>81,254</b>	80,242
Amounts owed to credit institutions and other customers	22, 23	<b>(29,909)</b>	(31,274)
<b>Net cash (used)/generated by operating activities</b>		<b>(23,533)</b>	37,160
<b>Cash flows from investing activities</b>			
Purchase of debt securities	13	<b>(44,447)</b>	(44,797)
Proceeds on maturity of debt securities	13	<b>39,000</b>	20,000
Purchase of tangible fixed assets	17	<b>(142)</b>	(422)
Purchase of intangible fixed assets	18	<b>(244)</b>	(1,304)
<b>Net cash used by investing activities</b>		<b>(5,833)</b>	(26,523)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(26,131)</b>	12,995
<b>Cash and cash equivalents</b>			
At 1 December	11, 12	<b>110,794</b>	97,799
Movement in the year		<b>(26,131)</b>	12,995
At 30 November	11, 12	<b>84,663</b>	110,794

Cash and cash equivalents comprise cash in hand and balances with the Bank of England, and loans and advances to credit institutions.

The Notes to these Accounts are contained on pages 46 to 76.

# Notes to the Financial Statements.

FOR THE YEAR ENDED 30 NOVEMBER 2025

## General Information and Basis of Preparation

Suffolk Building Society (the Society) has prepared these Society annual accounts in accordance with the Building Societies Act 1986, the Building Societies (Accounts and Related Provisions) Regulations 1998 and Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102) as issued in March 2018. The Society has also chosen to apply the recognition and measurement provisions of IAS 39: *Financial Instruments: Recognition and Measurement* (as adopted for use in the UK). The presentation currency of these annual accounts is sterling. All amounts in the annual accounts have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these annual accounts.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the annual accounts and estimates with a significant risk of material adjustment in the next year are discussed in note 1.14.

The directors have prepared these accounts on a going concern basis. The Board regularly engages in the forward planning of the business to ensure the Society meets the liquidity, capital, lending, and retail savings balances defined in its corporate strategy and annual plan. Board members also consider both liquidity and capital requirements in further detail within its capital and liquidity adequacy assessments; these include the results of placing both requirements under significant stress scenarios. As a result of these considerations, the directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future and an assessment has been made that it will remain a going concern for a period of at least 12 months from the signing date of the financial statements. For this reason, the accounts for the year ended 30 November 2025 have been prepared on a going concern basis.

## 1.1 Measurement Convention

The annual accounts are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: freehold land and buildings, derivative financial instruments, and financial instruments classified either at fair value through profit or loss (FVTPL) or available-for-sale.

## 1.2 Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Society estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the income statement and other comprehensive income include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.
- Interest on available-for-sale investment securities calculated on an effective interest basis.
- Interest on interest rate derivatives.

Fair value changes in derivatives and other financial assets and financial liabilities carried at fair value through profit or loss are presented in gains or losses on other financial instruments at fair value through profit or loss in the statement of comprehensive income.

## 1.3 Fees and Commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate (see note 1.2).

Other fees and commission income, including account servicing fees, sales commission, and other fees are recognised as the related services are performed.

## 1.4 Expenses

### Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation. In that case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

## 1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the date of the Statement of Financial Position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the annual accounts. The following timing difference is not provided for: differences



between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the date of the Statement of Financial Position. For non-depreciable assets measured using the revaluation model or investment property measured at fair value or deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## 1.6 Financial Instruments

### Recognition

The Society initially recognises loans and advances, deposits, debt securities issued, and subordinated liabilities on the date they originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Society becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value, plus, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue.

### Classification

#### *Financial assets*

The Society classifies its financial assets into one of the following categories:

- Loans and advances

'Loans and advances' are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Society does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value plus incremental direct transaction costs and subsequently measured at their amortised cost using the effective interest method (see note 1.2). When the Society chooses to designate the loans and advances as measured at fair value through profit or loss, they are measured at fair value with face value changes recognised immediately in profit or loss.

Should the Society purchase a financial asset and simultaneously enter into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement would be accounted for as a loan or advance. The underlying asset would not be recognised in the Society's annual accounts.

- Available-for-sale

'Available-for-sale investments' are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial assets. Available-for-sale investments comprise debt securities and are measured at fair value after initial recognition.

Interest income is recognised in profit or loss using the effective interest method (see note 1.2). Impairment losses are recognised in profit or loss.

Other fair value changes, other than impairment losses, are recognised in other comprehensive income (OCI) and presented in the available-for-sale reserve within equity. When the investment is sold, the gain or loss accumulated in equity is reclassified to profit or loss.

- At fair value through profit or loss

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

#### *Fair value hedges*

On initial designation of the hedge, the Society formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Society makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instrument(s) is/are expected to be highly effective in offsetting the changes in the fair value of the respective hedged item(s) during the period for which the hedge is designated and whether the actual results of each hedge are within a range of 80–125%.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in profit or loss. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into profit or loss using the effective interest method over the remaining life of the hedged item.

#### *Financial liabilities*

The Society classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.

# Notes to the Financial Statements.

## Continued.

### Derecognition

The Society derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Society neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition created or retained by the Society is recognised as a separate asset or liability.

The Society enters into transactions whereby it transfers assets recognised on its Statement of Financial Position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending, and sale and repurchase transactions.

### Measurement

#### *Amortised cost measurement*

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

#### *Fair value measurement*

'Fair value' is the amount for which an asset could be exchanged, a liability could be settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's-length transaction.

When available, the Society measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Society uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account when pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Society determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

#### **Identification and Measurement of Impairment**

At each reporting date, the Society assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group

of financial assets are 'impaired' when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- Significant financial difficulty of the borrower or issuer.
- Default or delinquency by a borrower.
- Indications that a borrower or issuer will enter bankruptcy.
- The disappearance of an active market for a security.
- Observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Society considers evidence of impairment for loans and advances and available-for-sale investment securities at both a specific asset and a collective level. All individually significant loans and advances, and available-for-sale investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. The Society writes off the value of any loss if and when a loss is realised. Loans and advances and available-for-sale investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and available-for-sale investment securities with similar risk characteristics.

In assessing collective impairment, the Society uses statistical modelling of historical trends of the probability of default, the timing of recoveries, and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than is suggested by historical trends. Default rates, loss rates, and the expected timing of future recoveries are regularly



benchmarked against actual outcomes to ensure they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

The purpose of forbearance is to support customers with temporary financial difficulties and help them get back on track. A range of forbearance options is available to support customers with financial difficulty. The main options offered by the Society include:

- Temporary transfer to an interest only mortgage.
- Reduced monthly payments.
- Extension of mortgage term.
- Capitalisation of arrears.

Customers requesting a forbearance option will need to provide information to support the request, which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips, etc. so the request can be properly assessed. If the forbearance request is granted, the account is monitored following our policy and procedures. At the appropriate time, the forbearance option that has been implemented is cancelled, with the exception of capitalisation of arrears, and the customer's normal contractual payment is restored. Where a loan is not expected to be fully recoverable, a specific provision for the shortfall is made.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by reclassifying the losses accumulated in

the fair value reserve in equity to profit or loss. The cumulative loss reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment attributable to the application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is always recognised in OCI.

### 1.7 Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash comprises cash in hand and unrestricted loans and advances to credit institutions repayable on demand. Cash equivalents comprise highly liquid unrestricted investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

The Statement of Cash Flows has been prepared using the indirect method.

### 1.8 Tangible Fixed Assets

Freehold land and buildings are stated at revalued amounts, being the fair value, determined by market-based evidence at the date of valuation, less any depreciation subsequently accumulated and subsequent impairment. The difference between the amount of depreciation charged in the year on the revalued amount and what would have been charged based on the historical cost is transferred between the Revaluation Reserve and General Reserves each year. Full valuations are completed at least every five years, followed by interim valuations three

years later. The directors review the valuations to confirm they remain appropriate in the intervening years. Increases in valuations of freehold properties are credited to OCI except to the extent that they reverse previous impairment losses recognised in the Income Statement for the same assets, in which case they are credited to the Income Statement. Decreases in valuations are recognised in the Income Statement except to the extent that they reverse amounts previously credited to OCI for the same assets, in which case they are recognised in OCI.

All other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets. For example, land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of a finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition, a finance lease liability is recognised as equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Society assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives

# Notes to the Financial Statements.

## Continued.

of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 50 years.
- Branch fitting out costs 10–15 years.
- Equipment, fixtures and vehicles 5–10 years.
- Computer equipment 3–5 years.

Depreciation methods, useful lives, and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Society expects to consume an asset's future economic benefits.

### 1.9 Intangible Assets

#### *Software development*

Intangible assets relating to the development of the Society's core IT system, mortgage origination system, and online savings platform are stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis from the date the assets are available for use over the life of the IT supply contract or over a shorter period where it is felt that the Society will not draw value from the systems over the life of the contract. The estimated useful life of the software is between five and ten years. The Society reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. In addition, the assets are assessed for impairment in accordance with Section 27 of FRS 102.

### 1.10 Impairment Excluding Financial Assets and Deferred Tax Assets

The carrying amounts of the Society's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated

future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit' or CGU).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 1.11 Employee Benefits

The Society operates both a defined benefit pension scheme and a defined contribution pension scheme, funded by contributions from the Society and its employees. The defined benefit scheme was closed to new members with effect from 1 January 2001 and was made paid-up at 31 March 2006.

#### *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which the Society pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further

amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Society's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Society determines the net interest income/(expense) on the net defined benefit asset/(liability) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/(asset), taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the date of the Statement of Financial Position on AA credit-rated bonds denominated in the currency of and having maturity dates approximating the terms of the Society's obligations. A valuation is performed triennially by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

A pension surplus is recognised as an asset to the extent that the Society can demonstrate an unconditional right to a refund or a reduction in future contributions, in line with Section 28 of FRS 102. Where such rights are restricted the recognised asset is limited to the present value of the economic benefits available to the Society.

Changes in the net defined benefit obligations during the period, net interest on any net asset or liability, and the cost of plan introductions, benefit changes, curtailments, and settlements during the period are recognised in profit or loss.



Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period it occurs.

### 1.12 Provisions

A provision is recognised in the balance sheet when the Society has a present legal or constructive obligation as due to a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

### 1.13 Sale and Repurchase Agreements

Investments and other securities may be lent or sold subject to a commitment to repurchase them (a 'repo'). Such securities are retained within the Statement of Financial Position when substantially all the risks and rewards of ownership remain within the Society, and the liability associated with the cash advanced is included separately within the Statement of Financial Position.

The difference between the sale and repurchase price is accrued over the life of the agreements and recognised within net interest income.

### 1.14 Critical Estimates and Judgements

The Society makes critical estimates and judgements in the following areas:

- Impairment losses on loans and advances to customers

The Society reviews its mortgage portfolio at least quarterly to assess impairment. In determining whether an impairment loss should be recorded, the Society is required to exercise a degree of judgement, including the use of post-model adjustments to the impairment provision model (see note 16). Impairment provisions are calculated using externally provided probability of default statistics, historical arrears experience, and expected cash flows. Estimates are applied to determining prevailing market conditions, including interest rates and house prices, equity haircut, and the length of time expected to complete

the sale of properties in possession. The accuracy of the provision would, therefore, be affected by unexpected changes to these assumptions.

Sensitivity analysis has been carried out on the allowance for impairment by i) altering the percentage of collateral that it is estimated would be recovered in the event of repossession by +/-5% and ii) altering the probability of default by +/-50%. The combined effect of favourable stresses resulted in an increase in profit for the year of £266k (2024: £303k). The combined effect of adverse stresses resulted in a decrease in profit for the year of £531k (2024: £574k). The impairment provision would decrease or increase accordingly.

- Effective interest rate (EIR)

The EIR will affect the carrying values of loans and receivables. One of the key components of the EIR is the expected life of the asset. In determining the expected life of mortgage assets, the Society uses historical and forecast redemption data and management judgement. At least annually, the expected life of mortgage assets is reassessed for reasonableness. Any variation in the expected life of mortgage assets will change the carrying value in the Statement of Financial Position and the timings of the recognition of interest income.

Doubling the period from the date of maturity of a mortgage product to the point at which the borrower switches to another mortgage product or redeems their mortgage increases net interest income by £382k (2024: £548k). However, halving the period decreases net interest income by £195k (2024: £284k). The EIR asset increases and decreases accordingly.

- Defined benefit pension scheme

The defined benefit pension scheme exposes the Society to actuarial risks such as investment risk, interest rate risk, inflation risk and longevity risk. In conjunction with its actuaries, the Society makes key financial and demographic assumptions that are used in the actuarial valuation of the

defined benefit pension obligation, and, therefore, changes to these assumptions impact on the pension obligation shown within the Statement of Financial Position. The key assumptions include inflation rates, discount rates and life expectancy. See note 9 for further details on these assumptions. A decrease in discount rate of 0.50% per annum would increase liabilities by £187k (2024: £226k), an increase in inflation of 0.10% would increase inflation-linked liabilities by 1%, or £24k (2024: £19k) and a one-year increase in life expectancy would increase liabilities by 3%, or £97k (2024: £108k). Each of these sensitivities considers that change in isolation.

### 1.15 The impact of Climate Risk on the Accounting Judgements and Estimates

The Society makes use of reasonable and supportable information to make accounting judgements and estimates relating to its balance sheet, including loans and freehold properties. This includes information about the observable effects of the physical and transition risks of climate change on the current creditworthiness of borrowers, asset values, and market indicators, where relevant. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgements and estimates for the current period. Some physical and transition risks can manifest in the shorter term.

The following items represent the most significant assumptions:

- The use of market indicators as inputs to fair value is assumed to include current information and knowledge regarding the effect of climate risk.
- The measurement of loan loss provision with regard to the valuation of collateral is adjusted to include current information and knowledge regarding the effect of climate risk.

<b>02 Interest receivable and similar income</b>	<b>2025</b>	2024
	<b>£000</b>	£000
On loans fully secured on residential property	<b>38,685</b>	35,500
On other loans	<b>24</b>	24
<i>On debt securities</i>		
Interest and other income	<b>2,051</b>	1,924
<i>On other liquid assets</i>		
Interest and other income	<b>4,159</b>	5,264
Total interest income calculated using the effective interest method for financial instruments not measured at fair value through profit or loss	<b>44,919</b>	42,712
Net income on derivative assets	<b>3,612</b>	7,026
	<b>48,531</b>	49,738

Interest income on loans includes an amount relating to the effective interest rate adjustment of £80k (2024: £207k).

<b>03 Interest payable and similar charges</b>	<b>2025</b>	2024
	<b>£000</b>	£000
On shares held by individuals	<b>29,368</b>	28,289
On deposits held by non-members	<b>905</b>	1,306
Term Funding Scheme Interest	<b>388</b>	1,847
Indexed Long Term Repo Interest	<b>168</b>	323
Total interest expense calculated using the effective interest method for financial instruments not measured at fair value through profit or loss	<b>30,829</b>	31,765
Net expense on derivative liabilities	<b>20</b>	368
On cash collateral received relating to derivative assets	<b>117</b>	399
	<b>30,966</b>	32,532

<b>04 Net loss from other financial instruments at fair value through profit and loss</b>	<b>2025</b>	2024
	<b>£000</b>	£000
Derivatives in designated fair value hedge relationships	<b>(5,121)</b>	(6,249)
Adjustments to hedged items in fair value hedge relationships	<b>4,594</b>	6,021
Derivatives not in designated fair value hedge relationships	<b>(46)</b>	52
	<b>(573)</b>	(176)

<b>05 Administrative expenses</b>	<b>2025</b>	2024
	<b>£000</b>	£000
<i>Staff costs</i>		
Wages and salaries	<b>6,499</b>	6,221
Social security costs	<b>803</b>	661
Other pension costs	<b>584</b>	551
	<b>7,886</b>	7,433
Other administrative expenses	<b>6,696</b>	7,072
	<b>14,582</b>	14,505

Other administrative expenses include IT costs, professional fees, and expenses associated with premises and site management. Amounts receivable by the Society's auditor are included within other administrative expenses and comprise fees in respect of:

Audit of these financial statements	<b>307</b>	302
Other services	<b>-</b>	-
	<b>307</b>	302

These fees are shown exclusive of VAT.

## 06 Remuneration of directors

	2025 £000	2024 £000
<b>Non-executive directors</b>		
P Elcock (Chair)	53.5	52.5
S Hill	32.8	32.0
E Lenc	34.8	34.0
S Liddell	34.8	34.0
S Reid (Deputy Chair)	37.3	36.5
F Ryder (Senior Independent Director)	34.8	34.0
	<b>228.0</b>	223.0

Non-executive directors also receive reimbursement for travel and subsistence expenses incurred as part of their duties, in line with the Society's expense policy.

	Performance-related pay			Benefits £000	Sub total £000	Pension entitlements £000	Total £000
	Salary £000	Payable now £000	Deferred £000				
<b>Executive directors 2025</b>							
<b>R Norrington (Chief Executive Officer)</b>	230.0	31.1	14.8	18.5	294.4	46.0	340.4
<b>P Johnson (Chief Financial Officer)</b>	172.0	23.3	11.6	16.2	223.1	30.1	253.2
<b>R Newman (Chief Operating Officer)</b>	138.5	18.7	9.4	13.0	179.6	24.2	203.8
	<b>540.5</b>	<b>73.1</b>	<b>35.8</b>	<b>47.7</b>	<b>697.1</b>	<b>100.3</b>	<b>797.4</b>

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

Benefits include health care and car allowance.

Total directors' remuneration amounted to £1,025.4k (2024: £999.4k).

	Performance-related pay			Benefits £000	Sub total £000	Pension entitlements £000	Total £000
	Salary £000	Payable now £000	Deferred £000				
<b>Executive directors 2024</b>							
R Norrington (Chief Executive Officer)	223.3	30.2	15.1	18.5	287.1	44.7	331.8
P Johnson (Chief Financial Officer)	167.0	22.6	11.3	16.2	217.1	29.2	246.3
R Newman (Chief Operating Officer)	134.5	18.2	9.1	13.0	174.8	23.5	198.3
	524.8	71.0	35.5	47.7	679.0	97.4	776.4

## 07 Employees

	2025 Full time	2025 Part time	2024 Full time	2024 Part time
Head Office	89	32	81	37
Branch Offices	13	37	17	33
	<b>102</b>	<b>69</b>	98	70

The average number of persons, including executive directors, employed during the year on a full-time equivalent basis was 142 (2024: 138).

## 08 Country-by-country reporting

2025  
£000

2024  
£000

The Capital Requirements (country-by-country reporting) Regulation 2013 places certain reporting obligations on financial institutions that are within the scope of EU Capital Requirements Directive (CRD IV).

The objective of the country-by-country reporting requirements is to provide increased transparency regarding the source of the financial institution's income and the locations of its operations. Suffolk Building Society is a UK-registered entity.

Name, nature of activities, and geographical location: Suffolk Building Society is a deposit taker and lender that is not part of a group and operates only in the United Kingdom.

Turnover	<b>17,014</b>	17,008
Profit before tax	<b>1,402</b>	2,154
Corporation tax paid	<b>129</b>	1,065
Number of employees on a full-time equivalent basis	<b>142</b>	138

Turnover is defined as total income.

During the year, the Society has participated in the Bank of England Term Funding Scheme.

Corporation tax paid in 2025 is in respect of the results for the year ended 30 November 2024. Details of Bank of England Funding are in note 22.

## 09 Pension arrangements

2025  
£000

2024  
£000

The Society operates a defined benefit scheme in the UK. This fund, administered by a separate trustee, holds the pension scheme assets to meet long-term pension liabilities. On 30 November 2021, a qualified actuary, independent of the scheme's sponsoring employer, performed a full actuarial valuation. The actuarial valuation for 30 November 2024 is currently being prepared and is expected to be completed by the statutory deadline. The valuation for 30 November 2025 is based on an accounting valuation performed as at 30 November 2025. The scheme is closed to new members and further accruals.

The Society's policy is to eliminate any deficits of the scheme through additional contributions in agreement with the trustees and in accordance with the actuarial valuation.

The Society is aware of a UK High Court legal ruling in June 2023 in Virgin Media Limited v NTL Pension Trustees II Limited, which determined that certain historic rule amendments made to a formerly contracted out final salary pension scheme were invalid if they were not accompanied by actuarial certifications. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the UK High Court ruling from 2023. In June 2025, the DWP announced that legislation is to be introduced which will enable scheme actuaries to provide retrospective confirmations in relation to historic benefit changes. The Society, together with the trustee of the pension scheme will be assessing the possible impact of this ruling and legislation.

### (a) Defined benefit pension scheme

#### Present values of defined benefit obligation, fair value of assets, and defined benefit asset/(liability)

Fair value of plan assets	<b>3,625</b>	3,603
Present value of defined benefit scheme obligation	<b>(3,563)</b>	(3,792)
Surplus/(deficit) in the plan	<b>62</b>	(189)
Defined benefit scheme asset/(liability) to be recognised	<b>62</b>	(189)
Deferred tax	<b>(16)</b>	47
Net defined benefit asset/(liability) to be recognised	<b>46</b>	(142)

## 09 Pension arrangements (continued)

	2025 £000	2024 £000
<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>		
Defined benefit obligation at the start of the period	3,792	3,740
Interest expense	190	193
Actuarial (losses)/gains on scheme liabilities (excluding amounts included in net interest cost)	(212)	64
Benefits paid	(207)	(205)
Defined benefit scheme obligation at the end of the year	<b>3,563</b>	3,792

	2025 £000	2024 £000
<b>Reconciliation of opening and closing balances of the fair value of the plan assets</b>		
Fair value of plan assets at start of period	3,603	3,577
Interest income	182	186
Return on scheme assets	(8)	(15)
Contributions by the Society	55	60
Benefits paid	(207)	(205)
Fair value of plan assets at end of the year	<b>3,625</b>	3,603

The actual return on the scheme assets over the period ending 30 November 2025 was a gain of £174k (2024: gain of £171k).

	2025 £000	2024 £000
<b>Defined benefit scheme expense recognised in profit or loss</b>		
Net interest cost	(8)	(7)
<b>Defined benefit scheme costs recognised in profit or loss</b>	<b>(8)</b>	(7)

	2025 £000	2024 £000
<b>Defined benefit scheme costs recognised in other comprehensive income</b>		
Return on scheme assets (excluding amounts included in net interest cost) – (loss)	(8)	(15)
Experience losses arising on the plan liabilities	(60)	(8)
Gains/(losses) due to effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	272	(56)
<b>Total gain/(loss) recognised in other comprehensive income</b>	<b>204</b>	(79)

## 09 Pension arrangements (continued)

	2025 £000	2024 £000	2023 £000
<b>Assets</b>			
Growth assets	1,656	1,912	1,873
Bonds	459	466	126
Cash	315	160	275
Liability driven investments	1,122	1,065	1,303
Annuities	73	–	–
<b>Total assets</b>	<b>3,625</b>	<b>3,603</b>	<b>3,577</b>

The scheme's investment strategy is to invest mainly in a mixture of growth assets, designed to produce a target level of return to help reduce the scheme's funding deficit, and liability-driven investments, designed to hedge risk caused by interest rate and inflation on the scheme's liabilities and protect the scheme's funding position. None of the assets shown above includes any of the Society's own financial instruments or any property occupied by or other assets used by the Society.

	2025 % per annum	2024 % per annum	2023 % per annum
<b>Assumptions</b>			
Rate of discount	5.60	5.15	5.30
Long-term inflation (RPI)	2.90	3.20	3.20
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	2.90	3.20	3.20
Allowance for pension in payment increases of RPI or 5% p.a. if less	2.70	3.00	3.00
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	1.90	2.00	2.00
Allowance for commutation of pension for cash at retirement	90% of Post A Day	90% of Post A Day	90% of Post A Day

The mortality assumptions adopted at 30 November 2025 imply the following life expectancies:

	2025 Years	2024 Years
Male retiring in current year	22.8	23.0
Female retiring in current year	24.3	24.6
Male retiring in 2045 (2024: 2044)	24.5	24.7
Female retiring in 2045 (2024: 2044)	26.1	26.4

A decrease in the discount rate of 0.50% per annum would increase liabilities by £187k (2024: £226k), an increase in inflation of 0.10% would increase inflation-linked liabilities by 1%, or £24k (2024: £19k), and a one-year increase in life expectancy would increase liabilities by 3%, or £97k (2024: £108k). Each of these sensitivities considers that change in isolation.

The Society expects to agree any new schedule of contributions with the trustee of the scheme in the current year on completion of a valuation.

### (b) Defined contribution pension scheme

For staff previously not eligible to join the defined benefit pension scheme and all qualifying staff from 1 April 2006, the Society operates a defined contribution scheme. The Society additionally funds the cost of life assurance cover for its staff.

#### Summary of employer's contributions:

	2025 £000	2024 £000
Employer's contributions included within the accounts were fully paid to the scheme and were as follows:		
Defined contribution scheme	584	551

Where applicable, payments into executive directors' personal pension plans after 1 April 2006 are included within the employer's contributions paid in respect of the defined contribution scheme as stated above and are disclosed in note 6 of these accounts.

## 10 Tax on profit on ordinary activities

	2025 £000	2024 £000
UK corporation tax at 25% (2024: 25%)	478	316
Adjustment for previous periods	24	(138)
Current tax charge for the year	502	178
<i>Deferred tax</i>		
Origination/reversal of timing differences	(115)	33
Adjustment for previous periods	-	140
Total deferred tax	(115)	173
<b>Tax on profit on ordinary activities</b>	<b>387</b>	<b>351</b>

The actual tax charge for the year differs from that calculated using the standard rate of corporation tax in the UK. The differences are explained as follows:

Profit before tax	1,402	2,154
Theoretical tax charge at the standard rate of 25% (2024: 25%)	351	539
<i>Effects of</i>		
Adjustments in respect of non-qualifying assets	-	(190)
Expenses not deductible for tax purposes	12	-
Adjustments in respect of prior years – current tax	24	(138)
Adjustments in respect of prior years – deferred tax	-	140
Total tax charge for the year	387	351

	2025 £000	2024 £000
<b>Deferred tax assets and liabilities</b>		
<b>Deferred tax assets</b>		
Capital losses	20	20
Retirement benefit obligations	-	47
Employee benefits	61	60
	81	127
<b>Deferred tax liabilities</b>		
Retirement benefit obligations	(15)	-
Accelerated capital allowances	(946)	(1,067)
Property revaluation	(279)	(288)
Business asset rollover relief	(44)	(44)
Available-for-sale assets	(26)	(4)
Other	-	(3)
	(1,310)	(1,406)
Net deferred tax liability	(1,229)	(1,279)

Changes in the Finance Act 2021 included that, effective from 1 April 2023, the UK corporation tax rate would increase to 25% for companies with profits of over £250k. The Society has, therefore, valued deferred tax asset and liability exposures at 25% for accounting purposes.

The movement in the deferred tax liability pertaining to the property revaluation was a decrease of £9k for the year.

<b>11 Cash in hand and balances with the Bank of England</b>	<b>2025 £000</b>	2024 £000
Balances held with the Bank of England	<b>81,595</b>	106,651
Cash in hand	<b>846</b>	790
	<b>82,441</b>	107,441

<b>12 Loans and advances to credit institutions</b>	<b>2025 £000</b>	2024 £000
Repayable on demand	<b>2,222</b>	3,353

<b>13 Debt securities</b>	<b>2025 £000</b>	2024 £000
Certificates of deposit	<b>10,290</b>	15,533
Floating rate notes	<b>15,188</b>	10,137
Gilts	<b>26,550</b>	16,173
T-Bills	<b>-</b>	4,998
	<b>52,028</b>	46,841

Debt securities have remaining maturities from the date of the Statement of Financial Position as follows:

Accrued interest	<b>720</b>	831
In not more than three months	<b>-</b>	9,999
In not more than one year	<b>10,006</b>	23,017
In more than one year	<b>41,302</b>	12,994
	<b>52,028</b>	46,841

All debt securities are marketable, tradable instruments. These instruments were assessed for impairment, and as of 30 November 2025, no such impairment had been identified.

The Society directors consider that the primary purpose of holding securities is prudential. All transferable securities held as liquid assets are held with the intention of use on a continuing basis in the Society's activities and are therefore classified as available-for-sale financial assets. The debt securities are not eligible for refinancing.

Movements during the year of transferable securities classified as available-for-sale financial assets are analysed as follows:

	<b>2025 £000</b>	2024 £000
At 1 December	<b>46,014</b>	21,014
Additions	<b>44,447</b>	44,797
Disposals	<b>(39,000)</b>	(20,000)
Movement in premium	<b>(238)</b>	298
Fair value changes through other comprehensive income	<b>89</b>	(95)
At 30 November	<b>51,312</b>	46,014

## 14 Derivative financial instruments

	2025 Fair value – assets £000	2025 Fair value – liabilities £000	2024 Fair value – assets £000	2024 Fair value – liabilities £000
The fair values of derivative financial instruments held at 30 November are set out below.				
<i>Derivatives designated as fair value hedges</i>				
Interest rate swaps	1,572	2,471	5,567	981
<i>Derivatives not designated in any hedge relationship</i>				
Interest rate swaps	52	21	169	93
	<b>1,624</b>	<b>2,492</b>	5,736	1,074

Included in the fair value of derivative assets is £230k (2024: £594k) relating to interest accrued.

At 30 November 2025, the Society held £180k and pledged £1,020k cash collateral with derivative swap counterparties (2024: £5,095k held).

## 15 Loans and advances to customers

	2025 £000	2024 £000
Loans fully secured on residential property	811,099	741,821
Loans fully secured on land	589	610
Fair value adjustment for hedged risk	1,021	(3,627)
	<b>812,709</b>	738,804
Less: allowance for impairment (note 16)	<b>(541)</b>	(414)
	<b>812,168</b>	738,390

The maturity of loans and advances to customers from the date of the Statement of Financial Position is as follows:

	2025	2024
In not more than three months	2,308	985
In more than three months but not more than one year	3,410	1,181
In more than one year but not more than five years	51,703	31,512
In more than five years	754,267	708,753
	<b>811,688</b>	742,431
Less: fair value adjustment for hedged risk	1,021	(3,627)
Less: allowance for impairment (note 16)	<b>(541)</b>	(414)
	<b>812,168</b>	738,390

Repayments of interest and principal due to the Society where the borrower is in arrears under the terms of the loan contract have been included in the above table on the assumption that the arrears are cleared over a period of 36 months from the date of the Statement of Financial Position. It is the Society's experience, held in common with most mortgage lenders, that many loans will be repaid earlier than the contractual maturity date.

Loans and advances to customers include an amount relating to the effective interest rate adjustment, an asset of £844k (2024: asset of £1,023k).

## 16 Allowance for impairment

	Loans fully secured on residential property £000	<b>Total £000</b>
Provisions for losses on loans and advances fully secured on residential property have been made as follows and deducted from the appropriate asset values shown in the Statement of Financial Position:		
<b>Individual impairment allowance</b>		
At 1 December 2024	29	29
Amounts written off during the year, net of recoveries	(1)	(1)
Charge for the year	152	152
<b>At 30 November 2025</b>	<b>180</b>	<b>180</b>
<b>Collective impairment allowance</b>		
At 1 December 2024	385	385
Release for the year	(24)	(24)
<b>At 30 November 2025</b>	<b>361</b>	<b>361</b>
<b>Individual impairment allowance</b>		
At 1 December 2023	27	27
Charge for the year	2	2
At 30 November 2024	29	29
<b>Collective impairment allowance</b>		
At 1 December 2023	907	907
Charge for the year	(522)	(522)
At 30 November 2024	385	385

The total balance outstanding for all accounts in arrears at 30 November 2025 was £13.0m (2024: £8.9m).

In determining the adequacy of the credit provision, management has considered and evaluated the credit risk and threats to borrowers' ability to service their loans in this economic environment based on their reduced disposable income, the value of collateral held, and the quantum of any forced sale discount that could be incurred.

## 17 Intangible assets

	Software development costs £000
<b>Cost</b>	
At 1 December 2024	5,914
Additions during year	244
Disposals during year	(10)
<b>At 30 November 2025</b>	<b>6,148</b>
<b>Amortisation</b>	
At 1 December 2024	2,532
Charged in year	642
Disposals during year	(10)
<b>At 30 November 2025</b>	<b>3,164</b>
<b>Net book value</b>	
<b>At 30 November 2025</b>	<b>2,984</b>
At 30 November 2024	3,382

Intangible assets as of 30 November 2025 comprise the costs of investment in the Society's IT infrastructure and costs incurred to date in respect of the new mortgage origination and internet savings platforms. Included in the net book value are £Nil (2024: £6k) of assets in undergoing construction. Amortisation is charged against these assets when they become ready for use by the business over estimated useful lives of between five and ten years.

## 18 Tangible fixed assets

	Freehold buildings £000	Short leasehold buildings £000	Equipment, fixtures, vehicles £000	Computer equipment £000	<b>Total £000</b>
<b>Cost or revalued amount</b>					
At 1 December 2024	4,336	1,093	827	799	7,055
Additions during year	–	75	31	36	142
Disposals during year	–	–	(13)	–	(13)
Revaluation	–	–	–	–	–
<b>At 30 November 2025</b>	<b>4,336</b>	<b>1,168</b>	<b>845</b>	<b>835</b>	<b>7,184</b>
<b>Depreciation</b>					
At 1 December 2024	486	775	528	743	2,532
Charged in year	85	75	61	31	252
Disposals during year	–	–	(13)	–	(13)
Revaluation	–	–	–	–	–
<b>At 30 November 2025</b>	<b>571</b>	<b>850</b>	<b>576</b>	<b>774</b>	<b>2,771</b>
<b>Net book value</b>					
<b>At 30 November 2025</b>	<b>3,765</b>	<b>318</b>	<b>269</b>	<b>61</b>	<b>4,413</b>
At 30 November 2024	3,850	317	299	56	4,522

## 18 Tangible fixed assets (continued)

The net book value of land and buildings occupied by the Society for its own activities comprises:	<b>2025</b>	2024
	<b>£000</b>	£000
Freehold	<b>3,765</b>	3,850
Short leasehold	<b>318</b>	317
	<b>4,083</b>	4,167

Freehold land and buildings were professionally valued by Fenn Wright Surveyors on an existing use basis as at November 2023. This valuation was £3.9m compared to a previous net book value of £4.0m. The directors considered this valuation amount appropriate, and the Society revalued its assets accordingly.

In accordance with the Society's accounting policy, the carrying value of £3.8m has been reviewed by the directors as at 30 November 2025 and is considered to be appropriate. Under the historical cost basis, the carrying amount of freehold land and buildings would have been £2.5m (2024: £2.6m).

The amount of depreciation charged in the year to 30 November 2025 based on the revalued amount was £85k compared to £58k which would have been charged under the historical cost method. An amount equivalent to the difference has therefore been transferred from the revaluation reserve to the general reserves in accordance with accounting policy.

## 19 Other assets

	<b>2025</b>	2024
	<b>£000</b>	£000
Cash collateral pledged against derivative financial instruments	<b>1,020</b>	–
Other	<b>71</b>	32
Corporation tax	<b>–</b>	302
	<b>1,091</b>	334

## 20 Prepayments

	<b>2025</b>	2024
	<b>£000</b>	£000
Prepayments	<b>608</b>	644
	<b>608</b>	644

## 21 Shares

	<b>2025</b>	2024
	<b>£000</b>	£000
Held by individuals	<b>864,968</b>	783,714
Fair value adjustment for hedged risk	<b>86</b>	32
	<b>865,054</b>	783,746

Shares are repayable from the date of the Statement of Financial Position in the ordinary course of business as follows:

Accrued interest	<b>9,187</b>	8,595
Fair value adjustment for hedged risk	<b>86</b>	32
Repayable on demand	<b>704,566</b>	637,806
In not more than three months	<b>27,826</b>	32,921
In more than three months but not more than one year	<b>75,674</b>	48,803
In more than one year but no more than five years	<b>47,715</b>	55,589
In more than five years	<b>–</b>	–
	<b>865,054</b>	783,746

## 22 Amounts owed to credit institutions

	2025 £000	2024 £000
Accrued interest	52	359
Bank of England Term Funding Scheme	–	30,000
Bank of England Index Long Term Repo	5,000	5,000
	<b>5,052</b>	35,359

Amounts owed to credit institutions are repayable from the date of the Statement of Financial Position in the ordinary course of business as follows:

Accrued interest	52	359
In not more than three months	5,000	5,000
In more than three months but not more than one year	–	30,000
In more than one year but not more than five years	–	–
	<b>5,052</b>	35,359

The Term Funding Scheme is a Bank of England scheme where funds are lent to firms on a four-year term secured by retail mortgages.

At 30 November 2025 the Society had £65m (2024: £86m) of mortgages pledged as collateral against the Bank of England Index Long Term Repo scheme.

## 23 Amounts owed to other customers

	2025 £000	2024 £000
Accrued interest	76	102
On demand	33,797	33,373
	<b>33,873</b>	33,475

Amounts owed to non-member depositors are repayable from the date of the Statement of Financial Position in the ordinary course of business as follows:

## 24 Other liabilities

	2025 £000	2024 £000
Other taxation and social security costs	204	176
Other creditors*	469	5,359
Corporation tax	70	–
	<b>743</b>	5,535

\* Included within other creditors is cash collateral held from counterparties in respect of interest rate swaps at 30 November 2025 of £180k (2024: £5,095k).

## 25 Accruals and deferred income

	2025 £000	2024 £000
Accruals relating to administrative expenses	1,400	1,441
Other	62	56
	<b>1,462</b>	1,497

## 26 Contingent liabilities and commitments

### Leasing commitments

At the date of the Statement of Financial Position, the total of future minimum lease payments under non-cancellable operating leases were as follows:

	<b>Vehicles 2025 £000</b>	<b>Equipment 2025 £000</b>	<b>Land and buildings 2025 £000</b>	Vehicles 2024 £000	Equipment 2024 £000	Land and buildings 2024 £000
<i>Leases which expire:</i>						
In not more than one year	<b>10</b>	<b>2</b>	<b>139</b>	15	2	147
In more than one but not more than five years	-	<b>8</b>	<b>425</b>	8	-	408
After five years	-	<b>2</b>	<b>338</b>	-	-	420
	<b>10</b>	<b>12</b>	<b>902</b>	23	2	975

Operating lease payments, which were included within administrative expenses during the year ended 30 November 2025, were £168k (2024: £178k).

Mortgage commitments at 30 November 2025 were £69.8m (2024: £60.6m).

## 27 Directors' loans and related party transactions

As of 30 November 2025, the Society had savings balances from directors and related parties of £414,771 (2024: £363,373) with associated interest paid to directors totalling £17,926 (2024: £10,213) on terms offered to members.

A register is maintained at the Society's Head Office containing details of loans, transactions, and arrangements made between the Society and directors of the Society or persons connected with directors of the Society. The register will be available for inspection by members at the Head Office for 15 days up to and including the AGM.

The Society operates a closed defined benefit pension scheme, which constitutes a related party. Details of this pension scheme can be found in note 9.

**28** Financial instruments

A financial instrument is a contract that gives rise to a financial asset or a financial liability. The Society is a retailer of financial instruments, mainly mortgage and savings products. However, it also uses other financial instruments to invest liquid asset balances and raise wholesale funding. In addition, it uses derivative financial instruments ('derivatives') to manage the risks arising from its operations.

The financial risks arising from the Society's activities include liquidity, interest rate, and credit risk. The Board reviews and agrees on policies for managing these risks, including establishing the Society's risk appetite, risk limits, clear reporting lines, and other controls. Additionally, the Society's Assets and Liabilities Committee (ALCO) monitors the financial risks relating to the financial instruments held, capital funding, and liquidity, in line with the Society's prudential policy statements. The Retail Credit Risk Committee will also ensure that retail credit risk management is consistent with the credit risk appetite.

The Society does not hold derivatives for trading or speculative purposes. Still, it uses them for hedging purposes only in accordance with the Building Societies Act 1986, specifically to limit the interest rate exposure that arises with the provision of fixed rate mortgage and savings products. The Society employs interest rate swap contracts to manage the interest rate risks as summarised below.

**Categories of financial instruments**

Financial assets and liabilities are measured on an ongoing basis, either at fair value or at amortised cost. This note to the financial statements describes how the classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The tables below analyse the Society's assets and liabilities by financial classification:

**At 30 November 2025**

	Loans and receivables £000	Available- for-sale £000	Fair value through profit or loss £000	Total £000
<b>Financial assets</b>				
Cash in hand and balances with the Bank of England	82,441	-	-	82,441
Loans and advances to credit institutions	2,222	-	-	2,222
Debt securities	-	52,028	-	52,028
Derivative financial instruments	-	-	1,624	1,624
Loans and advances to customers	811,147	-	1,021	812,168
Other assets	1,091	-	-	1,091
Net pension asset	62	-	-	62
<b>Total financial assets</b>	<b>896,963</b>	<b>52,028</b>	<b>2,645</b>	<b>951,636</b>
Non-financial assets				8,005
<b>Total assets</b>				<b>959,641</b>

	Other financial liabilities £000	Fair value through profit and loss £000	Total £000
<b>Financial liabilities</b>			
Shares	864,968	86	865,054
Amounts owed to credit institutions	5,052	-	5,052
Amounts owed to other customers	33,873	-	33,873
Pension liability	-	-	-
Derivative financial instruments	-	2,492	2,492
Accruals	1,462	-	1,462
Other liabilities	469	-	469
<b>Total financial liabilities</b>	<b>905,824</b>	<b>2,578</b>	<b>908,402</b>
Non-financial liabilities and reserves			51,239
<b>Total liabilities and reserves</b>			<b>959,641</b>

**28** Financial instruments (continued)

At 30 November 2024

	Loans and receivables £000	Available- for-sale £000	Fair value through profit or loss £000	Total £000
<b>Financial assets</b>				
Cash in hand and balances with the Bank of England	107,441	–	–	107,441
Loans and advances to credit institutions	3,353	–	–	3,353
Debt securities	–	46,841	–	46,841
Derivative financial instruments	–	–	5,736	5,736
Loans and advances to customers	742,017	–	(3,627)	738,390
Other assets	334	–	–	334
Total financial assets	853,145	46,841	2,109	902,095
Non-financial assets				8,551
Total assets				910,646

	Other financial liabilities £000	Fair value through profit and loss £000	Total £000
<b>Financial liabilities</b>			
Shares	783,714	32	783,746
Amounts owed to credit institutions	35,359	–	35,359
Amounts owed to other customers	33,475	–	33,475
Pension liability	189	–	189
Derivative financial instruments	–	1,074	1,074
Accruals	1,497	–	1,497
Other liabilities	5,358	–	5,358
Total financial liabilities	859,592	1,106	860,698
Non-financial liabilities and reserves			49,948
Total liabilities and reserves			910,646

**28** Financial instruments (continued)

**Fair value disclosure**

**Valuation of financial instruments carried at fair value**

The Society holds certain financial assets and liabilities at fair value, grouped into Levels 1 to 3 of the fair value hierarchy (see below).

**Valuation techniques**

Fair values are determined using the following fair value hierarchy, which reflects the significance of the inputs in measuring fair value:

- Level 1 The most reliable fair values of financial instruments are quoted market prices in an actively traded market.
- Level 2 These are valuation techniques for which all significant inputs are taken from observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed when no active market exists and quoted prices are available for similar instruments in active markets. Valuations are based on SONIA (Sterling Overnight Index Average) yield curves in line with the terms of the underlying instruments. No adjustment is made for credit risk.
- Level 3 These are valuation techniques for which one or more significant input is not based on observable market data. Valuation techniques include net present value by way of discounted cash flow models.

The table below summarises the fair values of the Society's financial assets and liabilities that are accounted for at fair value, analysed by the valuation methodology used by the Society to derive the financial instruments' fair value:

<b>At 30 November 2025</b>	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>	<b>Total £000</b>
<b>Financial assets</b>				
Available-for-sale				
Debt securities (excluding accrued interest)	51,308	-	-	51,308
Fair value through comprehensive income				
Interest rate swaps	-	1,394	-	1,394
	<b>51,308</b>	<b>1,394</b>	<b>-</b>	<b>52,702</b>
<b>Financial liabilities</b>				
Fair value through comprehensive income	-	2,492	-	2,492
Interest rate swaps	-	2,492	-	2,492
<b>At 30 November 2024</b>	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>	<b>Total £000</b>
<b>Financial assets</b>				
Available-for-sale				
Debt securities (excluding accrued interest)	46,010	-	-	46,010
Fair value through comprehensive income				
Interest rate swaps	-	5,736	-	5,736
	46,010	5,736	-	51,746
<b>Financial liabilities</b>				
Fair value through comprehensive income	-	1,074	-	1,074
Interest rate swaps	-	1,074	-	1,074

**28** Financial instruments (continued)

**Financial assets pledged as collateral**

The total financial assets recognised in the Statement of Financial Position that had been pledged as collateral for liabilities at 30 November are shown below:

	<b>2025</b>	2024
	<b>£000</b>	£000
Loans and advances to customers	<b>82,776</b>	85,517
Gilts	<b>6,017</b>	6,022
	<b>88,793</b>	91,539

**Credit risk**

Credit risk is the risk that counterparties will not meet their obligations as they fall due. All loan applications are assessed with reference to the Society's lending policy.

Treasury counterparties are approved and monitored by the Assets and Liabilities Committee.

The Society operates an experienced credit risk function, driven by the need to manage potential and actual risk both currently and in the future. Through this, any variations in risk resulting from market, economic, or competitive changes are identified and appropriate controls and strategies are implemented.

The Society's maximum credit risk exposure is detailed in the table below:

	<b>2025</b>	2024
	<b>£000</b>	£000
Balance held with the Bank of England	<b>82,441</b>	106,651
Loans and advances to credit institutions	<b>2,222</b>	3,353
Debt securities	<b>52,028</b>	46,841
Derivative financial instruments	<b>1,624</b>	5,736
Loans and advances to customers	<b>811,147</b>	742,017
Fair value adjustment for hedged risk	<b>1,021</b>	(3,627)
Other assets	<b>1,091</b>	–
Total statement of financial position exposure	<b>951,574</b>	900,971
Off-balance sheet exposure – mortgage commitments	<b>69,755</b>	60,634
	<b>1,021,329</b>	961,605

**Loans and advances to customers**

The Society is committed to mitigating risk through all stages of the lending cycle. The Society monitors customer affordability and the LTV percentages of all loans throughout the life of the loan. Additionally, the Society employs underwriting and fraud detection policies to minimise losses as part of the approval process, and takes a proactive approach to monitoring and treating impaired loans through the collections and recovery functions.

The Society maintains comprehensive management information on the performance and movements within the various loan portfolios to ensure that credit risk is adequately controlled and that any adverse trends are identified before they impact performance. When appropriate, Society performance is benchmarked against the industry to identify any outlying trends. This management information is distributed throughout the Society and monitored at a Board Committee level.

The table below provides further information on the Society's loans and advances to customers by payment due status as of 30 November 2025, as well as the allowance for impairment held by the Society against those assets. The balances exclude the fair value adjustment for hedged risk and are stated before the allowance for impairment losses.

**28** Financial instruments (continued)

**Credit quality analysis of loans and advances to customers**

	2025		2024	
	Loans fully secured on residential property £000	Loans fully secured on land £000	Loans fully secured on residential property £000	Loans fully secured on land £000
<b>Neither past due nor impaired</b>	<b>796,400</b>	<b>589</b>	730,895	610
<b>Past due but not impaired</b>				
Up to 1 month	<b>3,872</b>	-	3,659	-
More than 1 month but less than 3 months	<b>1,891</b>	-	855	-
	<b>5,763</b>	-	4,514	-
<b>Individually impaired</b>				
Not past due	<b>1,738</b>	-	1,983	-
Up to 1 month	<b>686</b>	-	1,221	-
More than 1 month but less than 3 months	<b>800</b>	-	654	-
More than 3 months but less than 6 months	<b>2,134</b>	-	1,128	-
More than 6 months but less than 12 months	<b>2,823</b>	-	870	-
More than 12 months	<b>691</b>	-	515	-
In possession	<b>64</b>	-	40	-
	<b>8,936</b>	-	6,411	-
	<b>811,099</b>	<b>589</b>	741,820	610
<b>Allowance for impairment</b>				
Individual	<b>180</b>	-	29	-
Collective	<b>361</b>	-	385	-
Total allowance for impairment	<b>541</b>	-	414	-

Individual assessments are made of all mortgage loans where objective evidence indicates that losses are likely, for example, when loans are past due, the account is in forbearance or the property is in possession, or where fraud or negligence has been identified. Further consideration is given in accounting policy note 1.6 to the accounts.

All other financial assets are neither past due nor impaired.

**Assets obtained by taking possession of collateral**

Details of financial and non-financial assets obtained during the year by taking possession of collateral held as security against loans and advances, as well as calls made on credit enhancements and held at the year-end are shown below. The amounts stated are the most recent valuations adjusted to take account of changes in the Halifax House Price Index published by Lloyds Banking Group Plc.

	2025 £000	2024 £000
Property	<b>224</b>	155

The Society's policy is to pursue the timely realisation of the collateral in an orderly manner. The Society does not use the non-cash collateral for its own operations.

## 28 Financial instruments (continued)

### Collateral held and other credit enhancements

The Society holds collateral against its retail credit exposures in the form of residential property. This collateral is valued by adjusting the valuation at the inception of the loan for changes in the Halifax House Price Index published by Lloyds Banking Group Plc. Values are updated on a quarterly basis. No allowance is made for the costs of realising the collateral.

The table below sets out the value of collateral held against the loan portfolio (excluding adjustments for impairment, effective interest rate, and fair value of hedged mortgages).

	<b>2025</b>	2024
	<b>£000</b>	£000
Estimated full value of collateral held	<b>2,212,700</b>	2,086,576
Value of collateral limited to the amount of debt outstanding	<b>810,844</b>	741,407
Percentage of collateral to loans and advances to customers	<b>100%</b>	100%

In addition to holding residential property as collateral, the Society holds mortgage indemnity insurance where the ratio of the loan at application to the value of the property is more than 80% (2024: 80%).

### LTV

The tables below stratify credit exposures from mortgage loans and advances to retail customers by ranges of LTV ratio. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The gross amounts exclude any impairment allowance and adjustment for changes in fair value. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral.

The value of the collateral for residential mortgage loans is based on the collateral value at origination, which is updated based on changes in house price indices.

	<b>2025</b>	2024
	<b>£000</b>	£000
<b>LTV ratio</b>		
Up to 50%	<b>338,692</b>	315,111
More than 50% and up to 70%	<b>198,251</b>	187,627
More than 70% and up to 90%	<b>235,878</b>	207,765
More than 90% and up to 100%	<b>30,399</b>	28,662
More than 100%	<b>8,468</b>	3,267
	<b>811,688</b>	742,432

### Forbearance

In certain circumstances, the Society uses forbearance measures to assist borrowers experiencing financial difficulty. These measures can take several different forms, and in each case, an individual assessment is made to ensure forbearance is in the best interests of both the borrower and the Society. It is expected that the borrowers will resume normal payments once they are able. Accounts in forbearance are included in the individual assessment for impairment. As of 30 November 2025, an individual impairment of £Nil (2024: £24k) was made for loans in forbearance, and no adjustment was considered necessary to the effective interest rate calculation.

The table below analyses residential mortgages with renegotiated terms as at the year-end:

	<b>Number of</b>	<b>2025</b>	Number of	2024
	<b>accounts</b>	<b>£000</b>	accounts	£000
Account restructured and arrears capitalised	<b>3</b>	<b>90</b>	2	65
Temporary transfer to interest only	<b>3</b>	<b>864</b>	8	1,353
Term extension	<b>3</b>	<b>579</b>	3	597
Payment arrangement in place	<b>15</b>	<b>2,426</b>	19	2,283
Multiple forbearance actions	<b>6</b>	<b>464</b>	7	707
	<b>30</b>	<b>4,423</b>	39	5,005

**28** Financial instruments (continued)

**Liquidity risk**

Liquidity risk is the risk that the Society will encounter difficulty meeting the obligations associated with its financial liabilities, which are to be settled by delivering cash or another financial asset. The Society's liquidity policy is to maintain sufficient funds in a liquid form at all times to ensure it can meet its liabilities as they fall due. The objective of liquidity risk management is to help smooth mismatches between maturing assets and liabilities and protect against any unexpected events.

Liquidity is monitored daily and reported to the ALCO every month. The Society's liquidity policy is designed to provide it with the resources to withstand a range of stressed scenarios. As part of its liquidity risk management, a number of appropriate stressed scenarios have been identified. The scenarios developed include idiosyncratic, market-wide, and combination stress tests, which fulfil the specific requirements of the Prudential Regulation Authority (PRA).

The Society's high-quality liquid assets comprise deposits with the Bank of England, gilts, T-bills and investment-grade floating rate notes issued by a highly rated Multinational Development Bank. At the year-end, the percentage of total shares and deposit liabilities held in these high-quality liquid assets was 13.0% (2024: 15.5%). In addition, the Society holds deposits with UK banks and portfolios of certificates of deposits (CDs) and time deposits (TDs) with other financial institutions. When taking the bank deposits, CDs and TDs into account, the percentage of total shares and deposit liabilities held in liquid resources was 14.9% (2024: 18.5%).

The total drawings under the Term Funding Scheme has reduced to £Nil (2024: £30m). The Society continued to use the Bank of England's Indexed Long Term Funding facility for the second financial year in a row, with total drawing remaining at £5m (2024: £5m).

**Maturity analysis for financial assets and financial liabilities**

The tables below indicate the remaining contractual maturities of the Society's financial assets and liabilities. In practice, contractual maturities are not a reflection of actual experience. Therefore, the information is not representative of the Society's liquidity management. For example, the contractual term for the majority of the loans and advances to customers ranges from 10 to 30 years; however, borrowers tend to repay ahead of contractual maturity, with the average life of a loan under seven years. Conversely, customer deposits (for example, shares) repayable on demand will likely remain longer on the Statement of Financial Position.

**Contractual maturities of financial assets and liabilities**

**At 30 November 2025**

	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Non- defined maturity £000	Total £000
<b>Financial assets</b>							
Cash in hand and balances with the Bank of England	82,441	-	-	-	-	-	82,441
Loans and advances to credit institutions	2,222	-	-	-	-	-	2,222
Debt securities	-	-	10,006	41,302	-	720	52,028
Derivative financial instruments	-	86	485	823	-	230	1,624
Loans and advances to customers	-	2,308	3,410	51,703	754,267	480	812,168
Other financial assets	-	1,091	-	-	-	-	1,091
Net pension asset	-	-	-	-	-	62	62
<b>Total financial assets</b>	<b>84,663</b>	<b>3,485</b>	<b>13,901</b>	<b>93,828</b>	<b>754,267</b>	<b>1,492</b>	<b>951,636</b>
Non-financial assets	-	-	-	-	-	8,005	8,005
<b>Total assets</b>	<b>84,663</b>	<b>3,485</b>	<b>13,901</b>	<b>93,828</b>	<b>754,267</b>	<b>9,497</b>	<b>959,641</b>
<b>Financial liabilities</b>							
Shares	704,566	27,826	75,674	47,715	-	9,273	865,054
Amounts owed to credit institutions	-	5,000	-	-	-	52	5,052
Amounts owed to other customers	33,797	-	-	-	-	76	33,873
Derivative financial instruments	-	-	-	2,482	10	-	2,492
Accruals	-	1,462	-	-	-	-	1,462
Other liabilities	469	-	-	-	-	-	469
<b>Total financial liabilities</b>	<b>738,832</b>	<b>34,288</b>	<b>75,674</b>	<b>50,197</b>	<b>10</b>	<b>9,401</b>	<b>908,402</b>
Non-financial liabilities and reserves	-	-	-	-	-	51,239	51,239
<b>Total liabilities and reserves</b>	<b>738,832</b>	<b>34,288</b>	<b>75,674</b>	<b>50,197</b>	<b>10</b>	<b>60,640</b>	<b>959,641</b>

**28** Financial instruments (continued)

At 30 November 2024

	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Non- defined maturity £000	Total £000
<b>Financial assets</b>							
Cash in hand and balances with the Bank of England	107,441	–	–	–	–	–	107,441
Loans and advances to credit institutions	3,353	–	–	–	–	–	3,353
Debt securities	–	9,999	23,017	12,994	–	831	46,841
Derivative financial instruments	–	67	918	4,095	62	594	5,736
Loans and advances to customers	–	985	1,181	31,512	708,753	(4,041)	738,390
Other financial assets	–	334	–	–	–	–	334
<b>Total financial assets</b>	<b>110,794</b>	<b>11,385</b>	<b>25,116</b>	<b>48,601</b>	<b>708,815</b>	<b>(2,616)</b>	<b>902,095</b>
Non-financial assets	–	–	–	–	–	8,551	8,551
<b>Total assets</b>	<b>110,794</b>	<b>11,385</b>	<b>25,116</b>	<b>48,601</b>	<b>708,815</b>	<b>5,935</b>	<b>910,646</b>
<b>Financial liabilities</b>							
Shares	637,806	32,921	48,803	55,589	–	8,627	783,746
Amounts owed to credit institutions	–	5,000	30,000	–	–	359	35,359
Amounts owed to other customers	33,373	–	–	–	–	102	33,475
Net pension liability	–	189	–	–	–	–	189
Derivative financial instruments	–	11	46	967	50	–	1,074
Accruals	–	1,497	–	–	–	–	1,497
Other liabilities	5,358	–	–	–	–	–	5,358
<b>Total financial liabilities</b>	<b>676,537</b>	<b>39,618</b>	<b>78,849</b>	<b>56,556</b>	<b>50</b>	<b>9,088</b>	<b>860,698</b>
Non-financial liabilities and reserves	–	–	–	–	–	49,948	49,948
<b>Total liabilities and reserves</b>	<b>676,537</b>	<b>39,618</b>	<b>78,849</b>	<b>56,556</b>	<b>50</b>	<b>59,036</b>	<b>910,646</b>

Non-defined maturity items are principally comprised of impairment provisions and hedge accounting adjustments.

**Gross financial liability exposure table**

The following is an analysis of the total gross cash flows (including all interest due) payable over the lives of the Society's financial liabilities.

At 30 November 2025

	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Non- defined maturity £000	Total £000
<b>Financial liabilities</b>							
Shares	705,393	31,372	89,131	57,340	–	9,273	892,509
Amounts owed to credit institutions	–	5,048	(1)	–	–	52	5,099
Amounts owed to other customers	33,797	220	672	–	–	76	34,764
Pension liability	–	–	–	–	–	–	–
Derivative financial instruments	–	26	70	(331)	(2)	–	(237)
Accruals	–	1,462	–	–	–	–	1,462
Other liabilities	469	–	–	–	–	–	469
<b>Total financial liabilities</b>	<b>739,659</b>	<b>38,128</b>	<b>89,872</b>	<b>57,009</b>	<b>(2)</b>	<b>9,401</b>	<b>934,067</b>

**28** Financial instruments (continued)

At 30 November 2024

	On demand £000	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Non- defined maturity £000	Total £000
<b>Financial liabilities</b>							
Shares	637,806	37,288	64,554	63,981	–	8,627	812,257
Amounts owed to credit institutions	–	5,355	30,814	–	–	359	36,528
Amounts owed to other customers	33,373	391	1,195	–	–	102	35,062
Pension liability	–	189	–	–	–	–	189
Derivative financial instruments	–	16	(95)	(549)	(12)	–	(640)
Accruals	–	1,497	–	–	–	–	1,497
Other liabilities	5,358	–	–	–	–	–	5,358
<b>Total financial liabilities</b>	<b>676,537</b>	<b>44,737</b>	<b>96,468</b>	<b>63,432</b>	<b>(12)</b>	<b>9,088</b>	<b>890,251</b>

**Market risk**

‘Market risk’ is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk, and other price risk. As the Society is not exposed to foreign currencies, the primary risk associated with market prices comes from interest rate risk.

The Society is exposed to movements in interest rates, which can have an adverse effect on profit. This exposure may be due to a difference in the timing of when assets and liabilities can reprice to market rates or a difference in the basis referenced by interest rates, such as the Bank of England base rate and SONIA. The Society continually manages this exposure within approved limits and, where necessary, using derivative financial instruments.

**Interest rate risk**

The Society has adopted the ‘matched’ approach to interest rate risk, defined by the PRA, operating within the exemptions permitted within section 9A of the Building Societies Act 1986. The ‘matched’ approach uses ‘standard’ hedging instruments to manage the interest rate risks associated with offering fixed rate retail products, as detailed below. ‘Standard’ instruments include interest rate swaps.

The Society’s interest risk management includes a regular review of the products used for hedging purposes by senior management, supported by monthly reviews by the ALCO and the Board. In addition, interest rate gap and basis risk analysis are performed monthly and presented to the ALCO and Board for review.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Society’s financial assets and liabilities to various standard and non-standard interest rate scenarios. The analysis below, also an interest rate sensitivity assessment, represents market value movement calculated using a discounted cash flow basis on the Society’s financial assets, financial liabilities, and earnings. The sensitivity analysis is based on an immediate 200 base percentage points parallel shift in interest rates.

All exposures include investments of the Society’s reserves. Other interest rate risk exposures, such as basis risk (the risk of loss arising from changes in the relationship between interest rates that have similar but not identical characteristics, e.g. SONIA and the Bank of England base rate) and prepayment risk (the risk of loss arising from early repayments of fixed rate mortgages and loans) are also monitored closely and regularly reported to the ALCO.

The analysis below summarises the Society’s exposure to interest rate risk. The tables present the Society’s assets and liabilities by repricing date and the derivative financial instruments that are used to reduce this exposure.

**28** Financial instruments (continued)**Interest rate risk**

At 30 November 2025

	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
<b>Assets</b>						
Cash in hand and balances with the Bank of England	82,208	-	-	-	233	82,441
Loans and advances to credit institutions	2,222	-	-	-	-	2,222
Debt securities	-	10,006	41,302	-	720	52,028
Derivative financial instruments	-	-	-	-	1,624	1,624
Loans and advances to customers	340,018	93,089	378,581	-	480	812,168
Other assets	-	-	-	-	9,096	9,096
Net pension asset	-	-	-	-	62	62
<b>Total assets before derivatives</b>	<b>424,448</b>	<b>103,095</b>	<b>419,883</b>	<b>-</b>	<b>12,215</b>	<b>959,641</b>
Derivatives – interest rate swaps	285,000	28,000	7,000	-	-	320,000
<b>Total assets after derivatives</b>	<b>709,448</b>	<b>131,095</b>	<b>426,883</b>	<b>-</b>	<b>12,215</b>	<b>1,279,641</b>
<b>Liabilities and reserves</b>						
Shares	519,854	189,465	146,462	-	9,273	865,054
Amounts owed to credit institutions	5,000	-	-	-	52	5,052
Amounts owed to other customers	33,797	-	-	-	76	33,873
Derivative financial instruments	-	-	-	-	2,492	2,492
Other liabilities	161	-	-	-	3,273	3,434
Reserves	-	-	-	-	49,736	49,736
<b>Total liabilities before derivatives</b>	<b>558,812</b>	<b>189,465</b>	<b>146,462</b>	<b>-</b>	<b>64,902</b>	<b>959,641</b>
Derivatives – interest rate swaps	63,000	27,000	224,000	6,000	-	320,000
<b>Total liabilities after derivatives</b>	<b>621,812</b>	<b>216,465</b>	<b>370,462</b>	<b>6,000</b>	<b>64,902</b>	<b>1,279,641</b>
<b>Interest rate sensitivity gap</b>	<b>87,636</b>	<b>(85,370)</b>	<b>56,421</b>	<b>(6,000)</b>	<b>(52,687)</b>	<b>-</b>
<b>Off-balance sheet exposures</b>	<b>(38,859)</b>	<b>975</b>	<b>37,884</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap</b>	<b>48,777</b>	<b>(84,395)</b>	<b>94,305</b>	<b>(6,000)</b>	<b>(52,687)</b>	<b>-</b>
<b>Sensitivity to general reserves</b>						
Parallel shift of +2%	(275)	673	(1,706)	507	-	(801)
Parallel shift of -2%	275	(673)	1,706	(507)	-	801

**28** Financial instruments (continued)

Interest rate risk  
At 30 November 2024

	Not more than 3 months £000	More than 3 months but not more than 1 year £000	More than 1 year but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
<b>Assets</b>						
Cash in hand and balances with the Bank of England	107,111	–	–	–	330	107,441
Loans and advances to credit institutions	3,352	–	–	–	–	3,353
Debt securities	9,998	23,017	12,994	–	831	46,841
Derivative financial instruments	–	–	–	–	5,736	5,736
Loans and advances to customers	374,467	92,833	274,669	462	(4,041)	738,390
Other assets	–	–	–	–	8,885	8,885
<b>Total assets before derivatives</b>	494,928	115,850	287,663	462	11,471	910,646
Derivatives – interest rate swaps	289,000	33,000	17,000	–	–	339,000
<b>Total assets after derivatives</b>	783,928	148,850	304,663	462	11,471	1,249,646
<b>Liabilities and reserves</b>						
Shares	495,690	141,949	137,480	–	8,627	783,746
Amounts owed to credit institutions	35,000	–	–	–	359	35,359
Amounts owed to other customers	33,373	–	–	–	102	33,475
Derivative financial instruments	–	–	–	–	1,074	1,074
Other liabilities	5,237	–	–	–	3,263	8,500
Reserves	–	–	–	–	48,492	48,492
<b>Total liabilities before derivatives</b>	569,300	141,949	137,480	–	61,917	910,646
Derivatives – interest rate swaps	128,000	38,000	160,000	13,000	–	339,000
<b>Total liabilities after derivatives</b>	697,300	179,949	297,480	13,000	61,917	1,249,646
<b>Interest rate sensitivity gap</b>	86,628	(31,099)	7,183	(12,538)	(50,176)	–
<b>Off-balance sheet exposures</b>	(34,270)	466	28,516	5,288	–	–
<b>Total interest rate sensitivity gap</b>	52,358	(30,633)	35,699	(7,250)	(50,176)	–
<b>Sensitivity to general reserves</b>						
Parallel shift of +2%	(166)	235	(1,455)	631	–	(755)
Parallel shift of -2%	166	(235)	1,455	(631)	–	755

## 28 Financial instruments (continued)

### Derivatives held for risk management

#### Fair value hedges of interest rate risk

The Society uses derivatives designated to manage certain risks it faces in accordance with Section 9A of the Building Societies Act 1986. In particular, the Society employs 'fair value hedges' in the form of interest rate swaps to manage the exposure to interest rate risk inherent when providing fixed rate retail products. The interest rate swaps essentially hedge the exposure to changes in the fair values of the fixed products. The Society does not hold derivatives for trading or speculative purposes but uses them for hedging purposes only.

The interest rate swap contracts used to manage the interest rate risks are summarised below:

Activity	Risk	Fair value interest rate hedge
Fixed rate mortgages	Increase in interest rates	Society pays fixed, receives variable
Fixed rate savings	Decrease in interest rates	Society receives fixed, pays variable
Debt securities – fixed rate	Increase in interest rates	Society pays fixed, receives variable

The fair values of derivatives designated as fair value hedges are as follows.

2025		2024	
Assets £000	Liabilities £000	Assets £000	Liabilities £000
1,624	2,492	5,736	1,074

#### Interest rate swaps

Interest rate swaps are matched to specific issuances of fixed rate retail shares, loans, or acquisitions of debt securities. All hedges are supported by comprehensive hedging documentation, as per the requirement in FRS 102, with the adoption of IAS 39. The Society uses the derivative instruments for hedging purposes only, and no such instruments are used for trading activity or speculative purposes. Fair value hedges are against SONIA.

Interest rate swaps are recognised on the balance sheet at the date they are taken out. Hedged assets and liabilities are recognised at their fair value from the date they are recorded on the balance sheet. For mortgages, this will be the completion date when funds are advanced; for savings, it will be the date that funds are received.

Where swaps are added to hedge the mortgage pipeline, the swap will be recognised on the balance sheet before the hedged mortgages are recognised, and movements in the value of these swaps will be recognised in the Statement of Comprehensive Income in full with no offsetting movement in the value of the hedged items. Where both the swaps and the hedged items are recognised on the balance sheet, the Statement of Comprehensive Income will only be impacted to the extent that the hedges are not 100% efficient. The Society aims to achieve a hedging offset of between 80% and 125% to qualify for hedge accounting in accordance with FRS 102 with the adoption of IAS 39.

The composition of the portfolio of interest rate swaps used in hedges and held at each year end is shown in the table below.

	2025 £000	2024 £000
Total notional value of SONIA swap contracts used in hedges held at 30 November	320,000	339,000

## 29 Post balance sheet events

The Board is not aware of any subsequent events arising after the year ended 30 November 2025 that require disclosure in the Society annual accounts.

# Annual Business Statement.

FOR THE YEAR ENDED 30 NOVEMBER 2025

## 01 Statutory percentages

	2025 %	Statutory limit %
Lending limit	<b>0.7</b>	25.0
Funding limit	<b>4.3</b>	50.0

The above percentages have been calculated in accordance with the provisions of the Building Societies Act 1986.

The statutory limits are as laid down under the Building Societies Act 1986 and ensure that the principal purpose of a building society is that of making loans which are secured on residential property and are funded substantially by its shareholding members.

The lending limit represents the proportion of business assets not in the form of loans fully secured on residential property.

Business assets are defined as total Society assets plus impairment allowance less liquid, tangible, and intangible assets.

The funding limit represents the proportion of shares and borrowings not in the form of shares held by individuals. Shares and borrowings represent the total of shares, amounts owed to credit institutions, and amounts owed to other customers.

## 02 Other percentages

	2025 %	2024 %
As a percentage of shares and borrowings:		
Gross capital	<b>5.50</b>	5.69
Free capital	<b>4.68</b>	4.80
Liquid assets	<b>15.12</b>	18.49
As a percentage of mean total assets:		
Profit after tax for the financial year	<b>0.11</b>	0.21
Management expenses	<b>1.65</b>	1.73

'Share and borrowings' represent the total of shares, amounts owed to credit institutions, and amounts owed to other customers.

'Gross capital' represents the aggregate of general reserves and subordinated liabilities.

'Free capital' represents the aggregate of gross capital and collective allowances on loans and advances to customers, less tangible and intangible fixed assets.

'Mean total assets' represents the average of total assets as stated in the Statement of Financial Position at 30 November 2025 and 30 November 2024.

'Management expenses' represents the aggregate of administrative expenses, depreciation, and amortisation.

Notes to the accounts can be found on pages 46 to 76.

## 03 Information relating to Directors at 30 November 2025

Name	Occupation	Date of birth	Date of appointment	Other Directorships
P Elcock	Non-Executive Director	08/63	30/06/22	Zempler Bank Limited
S Hill	Non-Executive Director	02/64	01/04/20	Trustee, Place2Be Place2Be Trading Limited Yealand Fund Services Limited Cordiant Digital Infrastructure Limited Apollo Syndicate Management Limited
P Johnson	Chief Financial Officer	08/68	26/11/20	–
E Lenc	Non-Executive Director	08/59	01/10/19	–
S Liddell	Non-Executive Director	11/63	30/11/17	Samsung Fire & Marine Insurance Company of Europe Limited Aspen Syndicate Management Limited Aspen Insurance Company UK Limited
R Newman	Chief Operating Officer	05/84	01/05/22	–
R Norrington	Chief Executive Officer	09/65	30/11/16	–
S Reid	Non-Executive Director	07/63	01/11/16	–
F Ryder	Non-Executive Director	05/67	25/10/18	Trustee, Bramfield Village Hall Bonza Music Ltd TCD Media Limited

### Directors' service contracts

At 30 November 2025, the Executive Directors are employed on open-ended service contracts. Under these contracts, the Society and Director are required to give notice periods of one year and six months, respectively, if the contract is to be terminated.

## 04 Information relating to other Officers at 30 November 2025

Name	Occupation
W Defoe	Chief Risk Officer
L Gladwell	Chief Commercial Officer

## 05 Capital

### Capital Structure

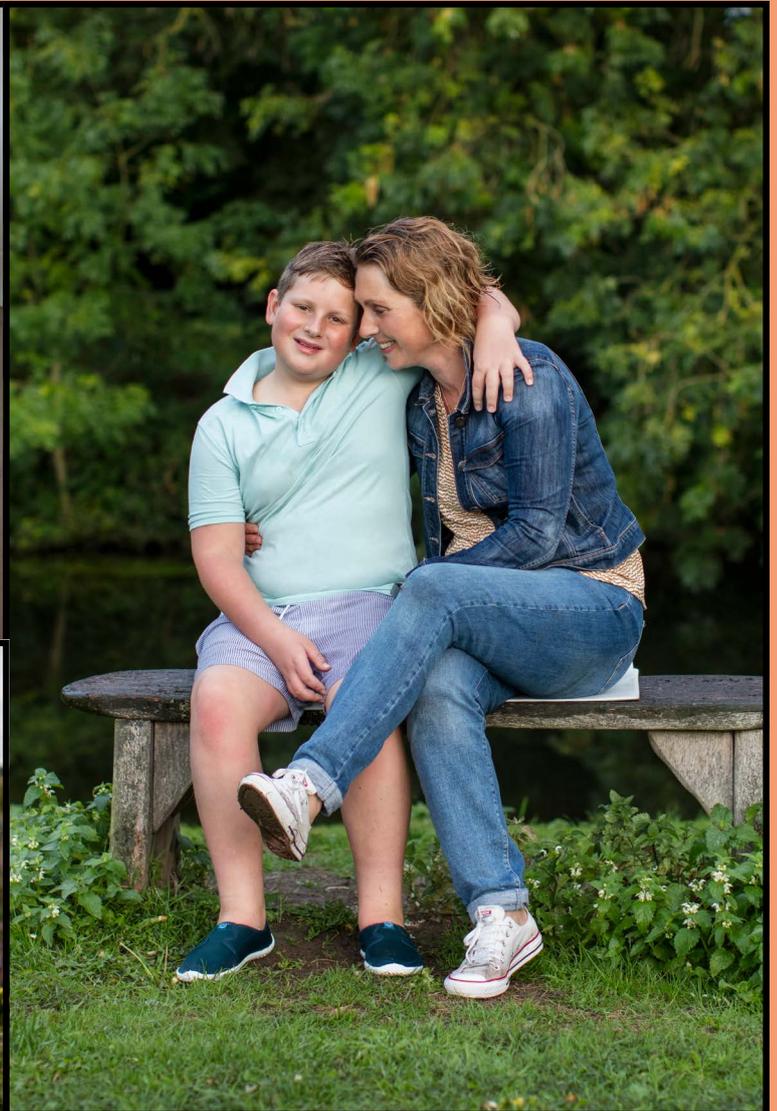
The Society's policy is to maintain a strong capital base to secure member, creditor, and market confidence, and to sustain the Society's plans for the future. Regulatory capital consists of the Society's general reserves, which are the profits accumulated over the last 175 years, and reserves relating to the revaluation of freehold property and the carrying value of available-for-sale debt securities.

The Society manages its capital requirements through the annual ICAAP. This is carried out in conjunction with the PRA. The Board closely monitors the ICAAP and receives regular updates on the amount of capital held and the amount of headroom the Society has over its required level of capital. The required level of capital is set by the PRA through the Society's Overall Capital Requirement. This allows the Board to ensure that the quantity and quality of capital held is both sufficient and appropriate to mitigate the risks the Society faces and to safeguard members' interests.

There were no breaches of capital requirements during the year.

### Regulatory capital

	2025	2024
	£000	£000
<b>Common equity tier 1 capital</b>		
General reserves	48,771	47,576
Revaluation reserve	885	903
AFS reserve	80	13
Intangible assets	(2,984)	(3,382)
<b>Total common equity tier 1 capital</b>	<b>46,752</b>	45,110
<b>Tier 2 capital</b>		
Collective impairment allowance	361	385
<b>Total tier 2 capital</b>	<b>361</b>	385
<b>Total capital</b>	<b>47,113</b>	45,495



**Suffolk**

**Building**

**Society**

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