



BUCKINGHAMSHIRE
— BUILDING SOCIETY —



BUSINESS REVIEW

Including Summary Financial Statement
Year Ended 31st December 2023

Sustainably Strong | Member Centred | Community Rooted

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WELCOME TO OUR REVIEW OF THE YEAR

For us, it always starts with **purpose**. Our purpose is to help people achieve financial security, provide a safe home for savings and enable home ownership.



Founded in 1907, our Society has proudly served the financial needs of Buckinghamshire and beyond, and has been trusted by our members for over a century.

From humble beginnings as the Chalfont & District Permanent Building Society to our current status as a trusted and respected entity in the financial sector, Buckinghamshire Building Society has a rich and varied heritage of which we are immensely proud.

As a Building Society owned by our members, we focus on delivering value with a personalised service, while maintaining a strong connection with our community.

The journey from our first mortgage approval in 1907, to being celebrated as the **Building Society of the Year** in 2023 reflects our continued dedication to adaptability and member satisfaction.

The **Mortgage**

AWARDS
2023

WINNER

Building Society of the Year

Thank you for being a valued member.

WELCOME

from our Chair

I am pleased to report that in spite of a variety of challenges in the wider economy, our Society maintained a stable course throughout 2023, once again adding to its capital strength and achieving a creditable financial outcome.



Good financial results were matched by important developments in the Society's capability, extending the service and support that we can give to both our mortgage and savings customers.

The Bank of England Base Rate was raised on no less than fourteen occasions in small increments between the end of 2021 and the middle of 2023. Since the summer of 2023, rates have held steady, as evidence started to grow that inflation was indeed being controlled.

There were a number of inevitable impacts of this intervention on the mortgage and savings market. Borrowers on variable rates have already faced much higher mortgage costs and those currently on a fixed rate will most likely see a substantial increase to borrowing costs when their fixed period expires and a new deal is sought. Savers have, of course, welcomed the arrival of higher interest rates, particularly after such a long period of low rates. Certainly, the savings

market has become much more dynamic in the last couple of years with savers and investors better incentivised to ensure their savings are attracting better returns. At our Society, we have striven to keep rates for savers competitive, seeking always to balance financial prudence with the genuine desire to help our members.



The path of interest rates over the last two years has understandably prompted concerns that some borrowers may struggle to meet the monthly payments on their mortgages. Indeed, the Society has experienced a slight increase in the number of borrowers in

arrears. However, this increase has been contained by careful and conservative mortgage underwriting practices established over many years at the Society. Furthermore, the Society has adopted a flexible and considerate approach to borrowers facing difficulties, employing a range of forbearance measures where appropriate.

The Society has continued to invest in its colleagues, systems and processes. There has been continued investment in ensuring that its IT systems are resilient with functionality that meets our members evolving expectations. In 2023, we developed the capability to open savings accounts online, and this has proved useful

in attracting funds in a more competitive and active savings market. The Society has also improved its website, offering a more intuitive layout with enhanced functionality for members. This has also helped mortgage brokers, who provide the majority of our lending applications. In 2023, we launched our "direct" mortgage proposition allowing potential customers to access the Society's mortgage products without using a broker. Whilst this gives potential members another option, the Society remains fully committed to developing and nurturing relationships with its brokers.

We still believe firmly that our colleagues and the ethos of a mutual Building Society, run for the benefit of our members, offers

a real and tangible alternative in a world of increasingly de-personalised financial services. Our members frequently tell us that they value the human touch of a small organisation, and the values of decency and service that we stand for.



In 2023 we bid farewell to our Finance Director, Darrin Ramdeen, and appointed Scott Morton to the Board as Finance Director.

I would like to thank our members and our suppliers for their continuing support. And I would also like to thank our Board of Directors and our hardworking colleagues for their endeavours in making the Society the successful, secure and caring organisation that it is.

**Dick Jenkins,
Chair**

UPDATE

from our CEO



Reflecting on our performance in 2023, I am particularly proud that the Society has navigated its way through challenging market conditions and that we have been able to sustain our investment in our member proposition over the long-term.

Performance Headlines

I am very pleased to report that the Society has achieved another year of balanced growth. We extended £59m of new mortgage lending to members and grew our overall mortgage balance by a further £22m (+7.9% on 2022). Savings balances grew by £30m (+10.2% on 2022) which enabled us to retain a strong liquidity position and commence the repayment of our term funding to the Bank of England (TFSME). Our total assets stood at £381m (+7.4% on 2022).

Society net interest margin reduced marginally to 1.98% (2.04% in 2022) as we aimed to offer better and balanced products for our members through a period of sustained base rate rises. Our income increased to £7.3m (+6.7% on 2022). Despite continued inflationary pressures, the Society's costs were managed to £5.8m (+8.1% on 2022).

Profit before tax was £1.3m - the reduction (vs 2022) reflecting an additional provision set aside to reflect the weakened macro-economic outlook. Society capital strengthened to £29.5m (+3.5% on 2022) and continues to represent a very strong Core Equity Tier 1 Capital ratio of 22%, well in excess of our regulatory capital requirement.

A strong financial base should also represent strength in membership and we are delighted to have seen the overall Society membership grow by another 3% to 11,759 members.



Strategic Progress

We have demonstrated strong progress across our five strategic priorities, further details on which are available in the Summary Directors' Report:



Funding: Term Funding repayment to Bank of England commenced.
Resilience: Continued investment in technology.
Regulation: Consumer Duty Phase 1 implemented. Phase 2 deliverables advanced.



Website: Re-invigorated with new content and tools.
Digital Onboarding: Launched and extended across the savings product range.
Member Service: Refreshed branch environment.



Direct Advice: Launched and embedded.
Awards: "Building Society of the Year" at The Mortgage Awards.
Broker Satisfaction: Maintained our 4 star rating through 2023.



Wellbeing: Added focus and increased awareness for all colleagues.
Values: Refreshed and rolled out.
Colleague Survey: Strong improvement in focus areas.



Active: Support for Chalfont St. Giles. Head Office energy efficiency rating improved.
Support: Heart of Bucks investment fund top-up and new community fund for 2024.
Partnership: Bucks CAB and SME MK & Buckinghamshire Business Awards.

Outlook

The market outlook remains uncertain in the short term, but our longer-term mission is clear. We know that we can't afford to stand still or be complacent. 2023 demonstrated how, despite challenging market conditions, the Society remains strong, powered by its purpose and heritage, and takes confidence from advancing the priorities that are so central to our longer-term sustainability.

I would like to thank the Board and all my colleagues for their hard work and commitment and you, our members, for your loyalty and support.

Dan Wass,
Chief Executive Officer

SUSTAINABLY STRONG

Our Financial Highlights of 2023



£324m
Total savings balances
(2022: £294m)



£298m
Total mortgage balances
(2022: £276m)



7.4%
Total asset growth
(2022: 12.7%)



£1.3m
Profit before tax
(2022: £1.5m)

MEMBER CENTRED

Our total membership grew to 11,759.
In April 2023, we conducted our Annual Member Survey.
Here are some of the key points:

Metric	2023	2022	2021
Overall Satisfaction	91.8	89.7	88.9
NPS (Net Promoter Score)	65.7	56.8	53.7
Member Service	93.8	91.2	91.2



“The fact that you can speak to the same person twice and everyone is always very pleasant and knowledgeable.”



“They always answer the phone swiftly, nice people, knowledgeable and helpful, good interest rates and good communication when rates change.”



Serving our members with award winning customer service

In a move to provide more comprehensive and personalised service, we have brought on board our own team of mortgage advisers. This shift from relying solely on intermediaries allows us to offer tailored mortgage advice directly to our members, ensuring they receive expert guidance that aligns perfectly with their needs.

Following a rigorous judging process by a panel of industry experts, we were proud to be named **Building Society of the Year 2023** in The Mortgage Awards. The judges considered a variety of criteria to determine a winner, including our range of products, year on year improvements and overall customer service. It's amazing recognition for our hardworking team who consistently do their best for our members.



Transforming our physical and digital spaces

At Buckinghamshire Building Society, we believe that being **member centred** isn't just a philosophy, it's our way of life. This year, we have taken significant strides in reinforcing our commitment to our members, ensuring that every interaction with us is convenient, comforting, and above all, rewarding.

Recognising the rapidly evolving digital landscape, we have invested heavily

in redeveloping our **website** and digital offerings. The launch and expansion of our **online banking platform** marks a significant milestone in our digital journey. Now, our members can enjoy the convenience of managing their finances from anywhere, at any time. This digital expansion also includes the capability for members to open most of our **savings accounts online**, offering unprecedented ease and accessibility.

Our journey to enhance member experience continued with the renovation of our branch and head office. Understanding the importance of a welcoming and functional space, we've redesigned these areas to reflect what our members value most: **comfort, accessibility and a personal touch**. The new design not only offers a modern and inviting atmosphere, but also takes advantage of the latest digital technology. These improvements, including the installation of new LED lights throughout our offices, have improved our Energy Performance Certificate rating from a D to a B.

"While other providers are closing down branches, we're investing for the future!"



Our colleagues make the difference...

Our colleagues play a pivotal role in making Buckinghamshire Building Society an exceptional place to work. Their responses to the recent colleague survey were overwhelmingly positive, highlighting the supportive culture we've cultivated together. Beyond their exceptional dedication to member service, our colleagues have been volunteering their time for a variety of causes in our community. This collective effort not only enhances our community but also reinforces the deep sense of responsibility and pride among our colleagues.

COMMUNITY ROOTED

Nurturing connections, enriching lives and being a force for positive change where it matters most... **in the local community and among the people we proudly serve.**

At our 2023 AGM, we had the pleasure of presenting **South Bucks Hospice** with a donation of £7,000.



This has helped them make meaningful additions to their services, including the hiring of a palliative care nurse in July.

Some of the other community initiatives we've been involved with over the past 12 months in the **local area** include:

- Sponsorship of the Chalfont St Giles Coronation Street Party and Summer Show
 - Providing funding and gifts for the Christmas grotto and light switch-on event
 - Continued financial support of the WizeUp financial education school programme
 - Litter picks within our local community
- ...and so much more!

See the community page on our website for full details:
www.bucksbs.co.uk

Towards the end of 2023 we took the opportunity to support **Citizens Advice Bucks** with the launch of their appeal, 'Here for Bucks'.

citizens advice Bucks

This appeal aims to raise money to fund the recruitment and training of 10 new volunteers who will help an additional 2,000 people across Buckinghamshire each year. As part of the launch event we donated £3,000 to cover the costs of training a volunteer.

As the platinum sponsor of the SME MK & Buckinghamshire Business Awards, we had the opportunity to celebrate entrepreneurial spirit and excellence within our community.

Our involvement extended beyond the event sponsorship to include support for two pivotal categories close to our heart: **Buckinghamshire Business of the Year** (deservedly won by Active in the Community) and the **Positive Impact Award** (again, deservedly won by Harry's Rainbow). Congratulations to all of the participants who entered and demonstrated the wealth of business talent we have in the local area.





In 2023, you voted for our charitable donation to be awarded to Age UK Bucks!

The award will be presented at the 2024 AGM. We recently caught up with Mark Russell, the CEO of Age UK Bucks, to see how they were planning to spend the donation and the potential impact it could have...

"Older people in Bucks make an amazing contribution to our community – as employers, workers, volunteers, carers, and child-minders! But when the challenges of older age feel overwhelming, and someone's world shrinks, Age UK Bucks is there to support them. We are so touched that Buckinghamshire Building Society members have chosen to support older people in our community with a grant award to our charity. Thank you for your kindness and generosity and for continuing to support local people and organisations.

"We'll be able to use your donation to continue to step up in this time of particular need, building our team of incredible local volunteers, supporting older people with much needed advice and guidance, especially around energy bills and welfare benefits to improve their finances, and tackling the huge impact that loneliness and isolation has on older people across our community. Thank you!"



"Our role extends far beyond financial services; it's about being an integral part of our community."

Dan Wass, CEO

Here's how you can get involved in deciding who should receive our 2024 charitable donation...

In association with Heart of Bucks, we would like to ask you once again to vote for the charity that will receive our charitable donation at our 2025 AGM.



Aylesbury Homeless Action Group is a local independent charity dedicated to making homelessness rare, brief and non-recurring in our community, by supporting people to access safe, affordable housing, address any underlying issues and to motivate them towards independent living.

www.ahag.org.uk



Connection Support's mission is to prevent homelessness and help people reach their potential. They recognise that everyone encounters challenges in life and are there to support anyone who finds themselves in a time of difficulty. They provide a wide range of services to offer support and empower people to develop their strengths, gain independence and take control of their situation.

www.connectionsupport.org.uk



Action4Youth is a Buckinghamshire-based ambitious, proactive charity focused on driving forward the crucial youth agenda to transform lives for young people and their communities in Buckinghamshire, the East and South East of England. By collaborating with other youth agencies and giving young people a voice, they are able to empower them and secure the best possible outcomes.

www.action4youth.org

SUMMARY FINANCIAL STATEMENT

This Summary Financial Statement is a summary of information in the audited Annual Report and Accounts, the Directors' Report and the Annual Business Statement. All of these documents will be available to members and depositors free of charge either on request from the Society's Head Office or from the Society's website www.bucksbs.co.uk.

SUMMARY DIRECTORS' REPORT

The Directors have the pleasure in presenting their Directors' report for the year ended 31 December 2023.

Our Purpose is as relevant today as it was when we were founded in 1907:

"...to help people achieve financial security, provide a safe home for savings and enable home ownership."

Our Vision is rooted in that purpose:

"We aspire to be the best small building society, endorsed by a thriving membership both locally and nationally – committed to helping members achieve financial security and home ownership."

Our Strategy is framed around our five priorities to achieve our longer term goals:

FIT FOR



PURPOSE

ENDURING



SAVINGS

CRAFTED



LENDING

ENGAGED



COLLEAGUES

GREATER



GOOD

Sustainably Strong | Member Centred | Community Rooted

Our Values represent what the Society stands for.

Our Society values were refreshed in 2023 by colleagues from across the Society.



MEMBERS FIRST



EXCELLENCE



RESPECT



ACCOUNTABILITY



TOGETHERNESS

Membership

In 2023 our membership grew by 3%

Our members continue to support us and engage with us through a number of channels. In 2023, 93.8% of the respondents to our annual member survey confirmed that they were satisfied with our customer service. We received a very low level of complaints this year. Only two complaints were referred to the Financial Ombudsman Service and neither of them have been upheld.



MEMBERS FIRST

Our performance in 2023 has been resilient, with the Society reporting another year of balanced growth – the results are pleasing given the macro-economic turbulence at the end of 2022 and the persistent market pressures through 2023. The standout achievement of 2023, over and above the core financial performance, is that the Society has also taken significant steps in progressing its strategic priorities – investing in capabilities, realising the strength of colleague succession planning, and enhancing the member proposition for the medium and long-term.

FIT FOR PURPOSE

FIT FOR



PURPOSE

The continued **strengthening of our balance sheet** is encouraging and aligned to achieving growth and preserves our ability to serve our members over the long-term. We take confidence from the way we responded to macroeconomic pressures through 2023 and plan the same agility through 2024. Placing **financial sustainability and operational resilience** at the centre of our growth ambition, we strengthened our liquidity position and commenced the **repayment of the term funding (TFSME)** we secured from the Bank of England. We also maintained our investment in technology to ensure delivery of our overall strategy and long term sustainability.

ENDURING SAVINGS

ENDURING



SAVINGS

Providing a safe home for our members' savings is central to our purpose and nurturing growth of our membership through lasting savings relationships is a key priority. The **Society website** was re-invigorated to ease navigation for members and to provide enhanced content. **Digital onboarding** was launched and extended across the product range to allow members to apply online for the first time.

We **refreshed the branch environment** for members visiting us in person. Our range of services in branch, by telephone and online will help us to continue to serve our members' needs.

CRAFTED LENDING

CRAFTED



LENDING

Bringing the best of our capabilities to craft lending solutions is how we seek to support our members' home ownership ambitions. We launched our **Direct Advice** service for those members wanting direct mortgage support rather than via a mortgage broker. We extended our **Platinum proposition** to offer an enhanced service to brokers based within the local community and our intermediary partners continue to rate us 4 stars for satisfaction. The progress that we have made in our mortgage proposition was recognised at The Mortgage Awards – at which we were voted **Building Society of the Year 2023**.

ENGAGED COLLEAGUES

ENGAGED



COLLEAGUES

Our colleagues sit at the heart of what makes our Society unique, which is why we have prioritised making the Bucks an exceptional place to work as one of our five strategic priorities – with a particular focus in 2023 on **engagement, development, and well-being** of our colleagues. Investment in our colleagues and succession planning have been key priorities and have added to the resilience of the Society. Through our 2023 Colleague Survey, we were pleased that our colleagues maintained very strong **pride in working for the Society** (93%), leadership (92%), and involvement in the community (97%).

GREATER GOOD

GREATER

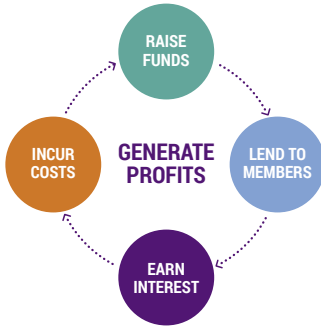


GOOD

We were founded in Buckinghamshire in 1907 and are proud that our mutual model enables us to preserve our long-lasting support for the community in which we are rooted. We continue to support and engage in a number of events in and around Chalfont St Giles and Buckinghamshire. Our members voted to award £7k to the **South Bucks Hospice** in 2023 to support their exceptional care in the local area. We have deepened our partnership with Heart of Bucks with plans to launch an additional community award in 2024. We sponsored the **SME MK & Buckinghamshire Business Awards** and were the principal supporter for the **Citizens Advice Bucks** fundraising event. And through improved energy efficiency at our Chalfont offices, we continue to do our bit to reduce our carbon footprint.

Performance Headlines

Our business model generates profits that provide financial stability and allow us to continue to provide competitive products and valuable services to our members over the long-term.

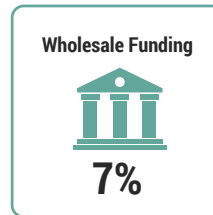
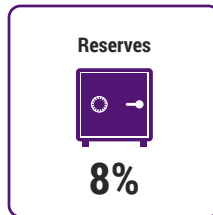


We use our profit before tax (2023: £1.3m) to:

- maintain our capital strength
- invest in delivering improved products and services for our members
- support future growth
- support the local community
- pay taxes

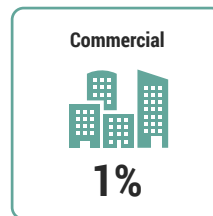
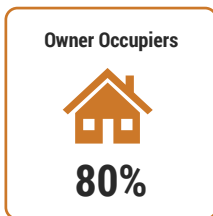
Raise funds (2023: +£26m, total funds: £381m | 2022: +£40m, total funds: £355m)

We raise funds predominantly through savings and deposit accounts (85%). Additionally, we have wholesale funding with the Bank of England and reserves.



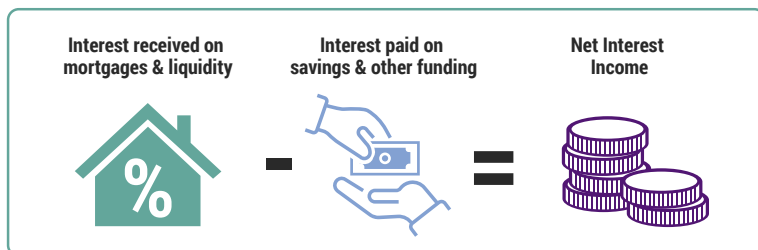
Lend to members (2023: £298m | 2022: £276m)

This funding is used to lend to our members who are:



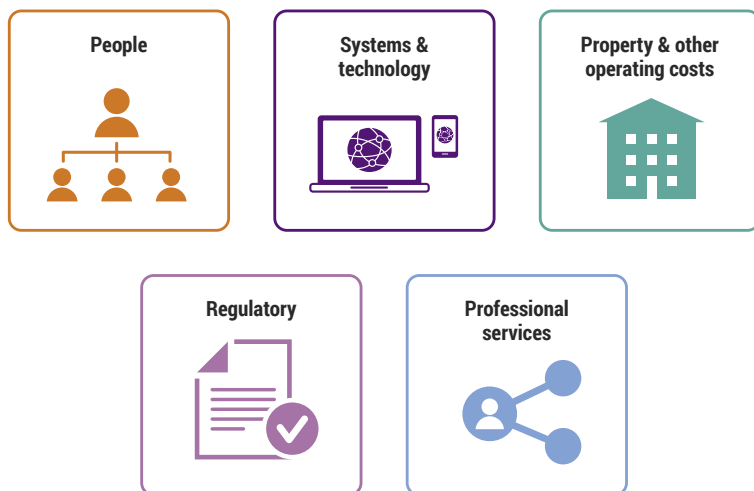
Earn Interest (2023: £7.3m | 2022: £6.8m)

We earn net interest income, the difference between the interest received on our mortgages and liquidity assets and the interest paid on member deposits and other funding.



Incur Costs (2023: £5.8m | 2022: £5.4m)

We incur necessary operating costs of running our business, primarily:



Our performance against key financial performance indicators is highlighted below.

Capital

Capital is a key measure of financial strength, representing the Society's ability to absorb financial stresses and protect members' interests.

Over 98% of our capital consists of retained earnings accumulated over many years. This is classified as 'Tier 1 Capital' and is considered the highest quality of capital by our regulator. The remainder of the balance comprises a revaluation reserve and collective loan loss provisions. The Society's gross capital ratio stands at 8.4% (2022: 8.8%). Free capital is 8.0% (8.3% in 2022).

The Society's Core Equity Tier 1 ratio (CET1) was 22% at 31 December 2023 (22% in 2022).

Net interest income

The Board manages net interest income by balancing the risks and reward of savings and mortgages rates whilst remaining competitive and providing value for money to our members.

Net interest margin decreased marginally from 2.04% to 1.98% in 2023, reflecting the highly competitive lending and savings market.

Total net income in 2023 was £7.3m, a 6.7% increase on 2022. This increase was driven by strong business volumes as well as an increase in the return on funds held at the Bank of England.

Profit

Our strategy is to earn profits that allow us to maintain our capital strength whilst also delivering value to our members by providing competitive mortgages and savings products.

The Society achieved a profit before tax of £1.3m, a small reduction on 2022 (2022: £1.5m). Lower net interest margins and an increase in loan loss provisions contributed to the year-on-year reduction.

The Board is pleased with this result as it supports our strategy of investing in improved products and services for our members to support future growth, whilst allowing the Society to support the local community.

Savings

Providing value to members remains at the core of our savings strategy; we are proud of how we have been able to support the interests of our savings members by passing on increases in savings rates whenever possible.

Savings increased by 10.2% to £324m (2022: £294m) with personal savers' balances increasing by 8.1% and corporate deposit balances increasing by 26.5%.

As the Society's mortgage pipeline grows, there is an ongoing requirement for a stable and consistent level of savings inflows.

Competition for retail deposits in the wider market has driven higher savings rates, contributing to a small reduction in net interest margin during the year.

Mortgages

We support a diverse range of members including first-time buyers, self-builds, buy-to-let investors, shared ownership and into and in retirement, as well as individuals with non-standard income or minor adverse credit histories.

In 2023 gross lending to members totalled £59m (2022: £79m). Our mortgage book has performed well in spite of a highly competitive market and we have continued to assist members with our range of specialist products and our unique service model.

The mortgage book remains of high quality, with an overall indexed loan-to-value of 53% and around 12% of balances with an indexed loan to value of 80% or more.

All loans are individually underwritten by a team of experienced underwriters, who adhere to a lending policy agreed by the Board. Responsible lending and affordability are the key criteria when making a lending decision. This approach continues to be successful and underpins the low arrears and default position, which compares favourably to the financial services industry.

Loan impairment provisions have increased in 2023 to 0.11% of the mortgage book (2022: 0.07%) given the increasingly challenging macro-economic environment.

Board

We have an experienced Board of eight members (six non-executive directors and two executive directors) with a strong balance of skills, experience, knowledge, and diversity. The Board is supported by the Audit Committee, Risk Committee, Assets and Liabilities Committee, Nomination Committee and Remuneration Committee with clearly defined roles and responsibilities.

Information on the Board of Directors is on pages 30-32.

The Board would like to thank Darrin Ramdeen who left the Society after serving as the Finance Director for the last four years. Scott Morton, having been the Society's Finance Controller since April 2020, was appointed to the Board in September 2023 as the Finance Director. Scott will, in accordance with the Society's Rules offer himself for election at the AGM in 2024. The Society Rules require that directors must periodically stand for re-election. Eric Leenders has been on the Board for over nine years. Having considered Eric's valuable contributions over the years and to ensure a smooth handover of responsibilities, the Board is recommending an extension of Eric's term on the Board until April 2025. Eric is offering himself for re-election at the 2024 AGM. Also retiring by rotation and offering themselves for re-election are Rebecca McBride and Andy Lucas.

Future Outlook

Both national and international factors present continued uncertainty in the macro-economic outlook, but our purpose, vision and strategy remain constant. The principal risks and uncertainties facing the Society are described in the Directors' Report within the Annual Report and Accounts. The Society takes confidence from its resilience through recent market challenges and looks forward to a suite of future developments across our five strategic priorities:



- Continuing our repayment of TFSME through 2024 and 2025.
- Maintaining measured investment in our technology to support our longer-term growth ambitions



- Enhancing our savings product range.
- Introducing further enhancements to our digital services to help members open and manage their savings relationships.



- Extending our Direct Advice service for mortgages.
- Further investment in our digital mortgage services.



- Embedding our refreshed Society Values and principles around diversity and inclusion.
- Supporting colleagues' personal development, training and well-being.



- Launching our new local member proposition.
- Extending our community partnership model to increase our community support and impact.

We are excited about the plans that we have for the next period to broaden our capabilities while not losing sight of what makes our Society unique – for our members, brokers, colleagues, and our community.

On behalf of the Board

Dick Jenkins, Chair

6 March 2024

SUMMARY STATEMENT

INCOME STATEMENT	2023	2022
	£000	£000
Net interest receivable	7,298	6,845
Other operating income and charges	(12)	(7)
Fair value gains and (losses)	(13)	(22)
Total income	7,273	6,816
Administrative expenses	(5,807)	(5,372)
Operating profit before provisions	1,466	1,444
Provisions	(141)	74
Profit for the year before taxation	1,325	1,518
Taxation	(342)	(288)
PROFIT FOR THE YEAR	983	1,230

FINANCIAL POSITION AT END OF YEAR	2023	2022
	£000	£000
Assets		
Liquid assets	78,579	72,915
Mortgages	298,018	276,284
Derivative financial instruments	833	2,066
Fixed and other assets	3,494	3,397
	380,924	354,662
Liabilities		
Shares	283,584	261,970
Borrowings	66,366	62,792
Derivative financial instruments	391	188
Other liabilities	1,034	1,165
Reserves	29,549	28,547
	380,924	354,662

SUMMARY OF KEY FINANCIAL RATIOS	2023	2022
	%	%
Gross capital as a percentage of shares and borrowings	8.44	8.79
Liquid Assets as a percentage of shares and borrowings	22.45	22.45
Profit for the year as a percentage of mean total assets	0.27	0.37
Management expenses as a percentage of mean total assets	1.58	1.60

Notes to the Key Financial Ratios

1 The gross capital ratio measures the proportion which the Society's capital bears to the Society's liabilities to holders of shares and deposits (investors). The Society's capital consists of profits accumulated over many years in the form of reserves, together with the revaluation reserve. Capital provides a financial cushion against difficulties which might arise in the Society's business and therefore protects investors.

2 The liquid assets ratio measures the proportion of the Society's assets which are held in the form of cash or short term deposits. Liquid assets are generally readily realisable, enabling the Society to fund its general business activities.

3 The profit/assets ratio measures the proportion which the profit after taxation for the year bears to the average of the Society's total assets during the year. The Society needs to make a reasonable level of profit each year in order to maintain its capital ratio at a suitable level to protect investors' funds. Your Directors believe that the profit for the year is consistent with the aims of mutuality and that the gross capital ratio is more than sufficient for the protection of investors' funds.

4 The management expenses ratio measures the proportion that the Society's administrative expenses bear to the average of the Society's total assets during the year.

**Approved by the Board of Directors
on 6 March 2024 and signed on its behalf by:**

Dick Jenkins - Chair

Chris Potter - Chair, Audit Committee

Dan Wass - Chief Executive Officer

INDEPENDENT AUDITOR'S STATEMENT

Independent auditor's statement to the members and depositors of Buckinghamshire Building Society.

We have examined the Summary Financial Statement of Buckinghamshire Building Society set out on pages 14 to 24.

Respective Responsibilities of Directors and Auditor

The directors are responsible for preparing the Business Review in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Business Review with the full annual accounts, Annual Business Statement and Directors' Report and its conformity with the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

Basis of Opinion

Our examination of the summary financial statement consisted primarily of:

- Agreeing the amounts included in the Summary Financial Statement to the corresponding items within the full Annual Accounts, Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2023; including consideration of whether, in our opinion, the information in the Summary Financial Statement has been summarised in a manner which is not consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year;
- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether information has been omitted which although not specifically prescribed by section 76 of the Building Societies Act 1986 and regulations made under it, in our opinion, is necessary to ensure consistency with the full Annual Accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2023.

We also read the other information contained in the Business Review and consider the implications for our statement if we become aware of any apparent mis-statements or material

inconsistencies with the summary financial statement. Our report on the Society's full Annual Accounts describes the basis of our opinions on those annual accounts, the Annual Business Statement and Directors' Report.

Opinion on Summary Financial Statement

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and Directors' Report of Buckinghamshire Building Society for the year ended 31 December 2023 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

Use of the Statement

This statement is made solely to the Society's members as a body and the Society's depositors as a body in accordance with section 76(5) of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's members and depositors those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body and the Society's depositors as a body for our audit work, for this statement, or for the opinions we have formed.

For and on behalf of Mazars LLP, Statutory Auditor

30 Old Bailey, London, EC4M 7AU

6 March 2024

DIRECTORS' REMUNERATION REPORT

The 2023 Directors' Remuneration Report sets out the Society's policy and practices on remuneration of its Executive and Non-Executive Directors. It also shows how much the Directors were paid in 2023, in comparison with 2022.

As a member, you are entitled to have a say in how the Directors of the Society are paid, through your advisory vote at the AGM.

Remuneration Policy

The Remuneration Policy of the Society is designed to support our purpose and values and recognise the achievements of the Society and our colleagues. The Policy ensures that all Directors and colleagues are rewarded fairly, equitably, without any discrimination and with due regard to industry benchmarking and statutory considerations. The Remuneration Committee, comprising of four independent Non-Executive Directors reviews the Society's Remuneration Policy every year to make sure that the Policy remains aligned with the Society's strategy and risk appetite and is in cognisance with the macroeconomic environment.

Information on the Executive Directors' and Non-Executive Directors' remuneration paid in 2023 and 2022 is detailed on page 29.

Executive Directors' Remuneration

Base Salary

The Remuneration Committee reviews the Executive Directors' base salary annually, using a range of economic factors and benchmarking pay data from comparable organisations. Annual percentage salary increases for Executive Directors remain aligned with the average increases for all other colleagues unless it is considered necessary to address specific market conditions or change in roles and responsibilities.

The salaries of the Executive Directors increased in 2023 in line with salary increases across the rest of the organisation. The pay ratio of the Chief Executive Officer and the Finance Director compared to the average colleague salary on full time equivalent basis, as at December 2023 was 4 and 2.8 times respectively.

Bonus

Payment of bonus by the Society is discretionary and is decided by the Remuneration Committee, following a carefully considered process around assessing the Society's financial position and performance during the year across all the strategic pillars. The Discretionary Bonus Policy is the same for Executive Directors and all other colleagues and allows for awarding a bonus of up to a maximum of 15% of their base pay.

The Society paid bonuses in March 2023 to all eligible colleagues in recognition of the Society's performance in 2022 and in March 2024 for the Society's performance in 2023.

Pension

The Society also offers a pension scheme which allows for a maximum Society contribution of 10% of base salary annually, terms of which are same for the Executive Directors as all other colleagues.

Non-Executive Directors' Remuneration

The fees payable to Non-Executive Directors are considered by the Remuneration Committee based on proposals from the Chief Executive Officer, taking into consideration the benchmarking data from comparable organisations as well as specific responsibilities and time commitments. Fees for Non-Executive Directors are not pensionable and Non-Executive Directors do not receive bonus or any other benefits.

The Non-Executive Directors' Fees increased in 2023, in line with the percentage increase in base salary awarded to our Executive Directors and colleagues.

Directors' Remuneration in 2023 and 2022

NON-EXECUTIVE DIRECTORS (fees and expenses)	2023	2022
	£000	£000
R Jenkins	40	39
E Leenders	29	28
C Higgins (Resigned on 20/04/2022)	0	8
N Montgomery (Resigned on 30/04/2022)	0	8
R McBride	26	24
A Lucas	25	23
C Potter (Appointed on 4/01/2022)	29	27
J Carter (Appointed on 3/10/2022)	24	6
Total Non-Executive Directors Remuneration	173	163

EXECUTIVE DIRECTORS' EARNINGS

Executive Directors' Remuneration 2023	Salary	Bonus	Benefits	Employer's Pension Contributions/PILOP	Total
	£000	£000	£000	£000	£000
D Wass	192	8	4	12	216
S Morton (Appointed on 4/09/2023)	45	-	1	4	50
D Ramdeen (Resigned on 3/09/2023)	98	10	1	PILOP* 10	119
Total Executive Directors' Remuneration	335	18	6	26	385
Total Non-Executive Directors' Remuneration	173				173
Total Directors' Remuneration	508	18	6	26	558

Executive Directors' Remuneration 2022	Salary	Bonus	Benefits	Employer's Pension Contributions/PILOP	Total
	£000	£000	£000	£000	£000
D Wass (Joined on 19/09/2022)	53	-	1	1	55
G O'Keeffe (Retired on 21/09/2022)	125	24	7	PILOP* 13	169
D Ramdeen	140	12	3	PILOP* 14	169
Total Executive Directors' Remuneration	318	36	11	28	393
Total Non-Executive Directors' Remuneration	163				163
Total Directors' Remuneration	481	36	11	28	556

*Cash equivalent sum (PILOP) in lieu of his 10% of salary pension entitlement, at no additional gross cost to the Society.

In addition to the amounts paid in the table above, Dan Wass earned a bonus of £26k and Scott Morton earned a bonus of £12k for their performance in 2023, both are to be paid in March 2024.

BOARD OF DIRECTORS

If you have any questions or comments for the Society's Board of Directors, please direct your emails to: directors@bucksbs.co.uk

RICHARD DAVID JENKINS



Chair

Chair:

Nomination Committee

Member:

Assets & Liabilities Committee
and Remuneration Committee

Dick Jenkins joined the Board in April 2018 as a non-executive director and was appointed as the Chair of the Board in October 2019.

Following an early career in market research Dick has spent much of his career in the Building Society sector with the Bristol and West Building Society and from 2003 to 2018 as Chief Executive of the Bath Building Society. Dick also held the position of the Chair of the Building Societies Association from 2015 to 2017.

Dick studied geography at Cambridge University and is an enthusiastic gardener, golfer and musician.

ERIC JOHN LEENDERS



Vice-Chair

Chair:

Risk Committee

Member:

Audit Committee
and Nomination Committee

Eric Leenders joined the Board in April 2014 as a non-executive director and was appointed as the Chair of the Risk Committee in May 2017.

Eric is a career banker with over thirty years of experience in retail banking and is currently the Managing Director, Personal Finance and Prudential, Reporting and Taxation at UK Finance. He is also a non-executive director at Registry Trust Limited.

He is professionally qualified as a chartered banker, holding an MSc in Banking Practice and Management and is a fellow of the London Institute of Banking and Finance and the Chartered Banker Institute. He is also a member of the Institute of Credit Management and the Worshipful Company of International Bankers and holds a post-graduate diploma in public relations.

Eric is standing for re-election at the Society's 2024 AGM.

JOANNE FRANCES CARTER



Non-Executive Director

Member:

Audit Committee,
Remuneration Committee
and Nomination Committee

Jo Carter joined the Board in October 2022 as a non-executive director.

With a background in Human Resources, Jo has a strong track record in leading and delivering transformational change and organisational development. Having started her career in investment banking, Jo has focused on strategic and operating model development, process re-engineering, organisation change, succession planning, talent management and leadership development in recent years. An accredited coach and mentor, Jo enjoys working with senior leaders and Boards to enable them to overcome challenges and flourish.

Amongst the activities she undertakes in her spare time, Jo is a member of a choir and the West Kent Lord's Taverners.

ANDREW SPENCER LUCAS



Senior Independent Director

Member:

Risk Committee, Assets & Liabilities
Committee, Nomination Committee
and Remuneration Committee

Andy Lucas joined the Board in May 2021 as a non-executive director and was appointed as the Senior Independent Director in August 2023.

Andy started his career in marketing and sales, with much of his experience centred on financial services, particularly savings & investments, mortgages, and insurance. He has led product and eCommerce developments, alongside customer service, change management and technology operations. After senior roles at Prudential and ACE European Group, Andy became Chief Operating Officer at Cambridge Building Society, where he worked for over 9 years.

Andy is a member of The Chartered Institute of Marketing, a non-executive director of Cirencester Friendly Society and First Conference Estate Ltd, a Trustee of YMCA Trinity Group and Chair of The Christian Conference Trust.

Away from work he likes to travel, being a keen walker and photographer, or relax in the kitchen tackling a new recipe!

Andy is standing for re-election at the Society's 2024 AGM.

REBECCA MCBRIDE



Non-Executive Director

Chair:

Remuneration Committee

Member:

Risk Committee,
Assets & Liabilities Committee
and Nomination Committee

Rebecca McBride joined the Board as a non-executive director in May 2020 and was appointed as the Chair of the Remuneration Committee in September 2022.

Rebecca has over 30 years of experience in financial services from both a regulatory and business perspective. She is currently the Head of Group Regulatory Policy at Lloyds Banking Group where she is responsible for developing and coordinating regulatory policy strategy and advocacy. Prior to joining Lloyds in 2018, Rebecca spent 17 years as a regulator at the Financial Services Authority, Prudential Regulation Authority and most recently the Bank of England. Over her career in regulation, she supervised a range of institutions including UK Banks, Building Societies, Life Assurers, Asset Managers and Central Counterparties.

Outside of work, Rebecca enjoys long walks with her family and golden retriever, reading and listening to podcasts.

Rebecca is standing for re-election at the Society's 2024 AGM.

CHRISTOPHER WILLIAM POTTER



Non-Executive Director

Chair:
Audit Committee

Member:
Risk Committee and
Nomination Committee

Chris Potter joined the Board in January 2022 as a non-executive director and was appointed as the Chair of the Audit Committee in July 2022.

Chris spent 35 years working for PwC, since 1999 as a partner in the UK audit practice, where his clients included major financial services providers. He specialises in managing technology risk, cyber security, audit of internal control and digital transformation.

Chris is a qualified accountant, CISA and member of the Chartered Institute of Information Security Professionals. Since 2019 he has been a trustee and the Chair of the Audit & Risk Committee for the Royal Institution of Great Britain. He is a visiting senior lecturer on the information security management MSc course at Royal Holloway, University of London. He is also a strategic advisor for Info, the audit technology provider.

Chris is interested in history and learning from the past, and also in how science and technology can help us meet the challenges in the future.

DANIEL MARK WASS



CEO

Chair:
Assets & Liabilities Committee

Member:
Nomination Committee

Dan Wass joined the Board in September 2022 as Chief Executive Officer.

Dan has over 20 years' experience in Financial Services, most recently as Director of Member Propositions, Banking, Insurance and Investments at Nationwide - leading through a period of record membership growth. Prior to that, he spent over 15 years at Barclays undertaking a variety of senior roles in the UK Bank. He started his career in Financial Services at the Woolwich.

A graduate in Geography from the University of Leeds, Dan enjoys the outdoors - particularly running and cycling, and live music. He is married with two sons.

SCOTT ROBERT MORTON



Finance Director

Member:
Assets & Liabilities Committee
and Nomination Committee

Scott Morton joined the Board in September 2023 as Finance Director after having been the Financial Controller at the Society since April 2020.

A graduate of the University of Edinburgh, Scott is a qualified accountant with over 20 years of experience in Financial Services, spending the majority of his career prior to joining the Society at the Royal Bank of Scotland / NatWest Group, undertaking a number of senior finance roles both in the UK and overseas.

Scott lives locally with his wife and three sons. Outside of work he is a keen musician and continues to play the bagpipes as a member of the Reading Scottish Pipe Band.

Scott is standing for election at the Society's 2024 AGM.

NOTICE OF AGM

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 117th Annual General Meeting (“AGM”) of the Buckinghamshire Building Society will be held at The Hub, Church Lane, Chalfont St Peter, SL9 9RF on Thursday 18 April 2024 at 3:00pm.

1. To confirm the Minutes of the 116th Annual General Meeting.

ORDINARY RESOLUTIONS

2. To receive the Directors’ Report, the Annual Accounts, the Annual Business Statement and the Auditor’s Report for the year ended 31 December 2023.

(These documents are included within the Annual Report and Accounts which are available on the Society’s website, or in print upon request from the Society Secretary.)

3. To consider and, if thought fit, pass an Ordinary Resolution to re-appoint Mazars LLP as Auditor of the Society, until the conclusion of the next Annual General Meeting.
4. To consider and, if thought fit, pass an Ordinary Resolution to approve the Directors’ Remuneration Report for the year ended 31 December 2023.

(This is an advisory vote. The Directors’ Remuneration Report is included within the Business Review.)

5. To consider and, if thought fit, elect or re-elect (as indicated) the following as Directors of the Society.
 - 5.1. To elect Scott Robert Morton as a Director.
 - 5.2. To re-elect Eric John Leenders as a Director.
 - 5.3. To re-elect Rebecca McBride as a Director.
 - 5.4. To re-elect Andrew Spencer Lucas as a Director.

(Information on the Directors standing for election and re-election is included within the Business Review.)

By Order of the Board

Chandreyee Banerjee, Society Secretary
Buckinghamshire Building Society
6 March 2024

NOTES

These notes form part of the Notice of the Meeting

- To attend and vote at the AGM, or appoint a proxy, you must qualify as either a Shareholding Member or a Borrowing Member. Voting Conditions are summarised on the reverse of the Appointment of Proxy and Voting Form.
- If you are unable to attend the AGM, you may appoint a proxy to attend and vote on your behalf on a poll. The proxy may be the Chair of the AGM or anyone else and not necessarily a member of the Society.
- If attending and wishing to vote at the AGM, please ensure that you bring your passbook or other evidence of Membership issued by the Society. If you are appointing a proxy, other than the Chair of the Meeting, please ensure that your proxy brings an appropriate form of identification to the AGM.
- You may direct the proxy on how to vote at the AGM. Your proxy may vote for you at the AGM but only on a poll. Your proxy may demand or join in demanding a poll at the AGM and may speak on your behalf.
- If you are not able to attend the AGM in person and have a question for the Board, please email your question to AGM@bucksbs.co.uk or by post addressed to the Society Secretary, Buckinghamshire Building Society, High Street, Chalfont St. Giles, Buckinghamshire, HP8 4QB to reach us by 16 April 2024.

**The Society is a member of the Building Societies Association
and the Financial Services Compensation Scheme.**

**Buckinghamshire Building Society is authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Registration number 206022.**

“Here to help people achieve financial security, provide a safe home for savings and enable home ownership.”



The **KINDER** place
...for your savings

The **KINDER** place
...for your mortgage

The **KINDER** place
...for your business



HOW TO VOTE:



In person at the AGM on Thursday 18 April 2024 at 3pm
The Hub, Church Lane, Chalfont St Peter, SL9 9RF



Online at www.cesvotes.com/bucks24



By post using the enclosed proxy form
and prepaid envelope to arrive no later
than 3pm on 16 April 2024


BUCKINGHAMSHIRE
— BUILDING SOCIETY —

High Street, Chalfont St Giles,
Buckinghamshire HP8 4QB

Phone : 01494 879500

Website : www.bucksbs.co.uk

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