



BUSINESS REVIEW

INCLUDING SUMMARY FINANCIAL STATEMENT

Year ended 31 December 2022



www.bucksbs.co.uk

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Sustainably Strong | Member Centred | Community Rooted

WELCOME FROM THE CHAIR



In the context of a very challenging year for the UK economy in 2022, the Society performed well and once again was able to improve on its capital strength.

Following two years dominated by the COVID pandemic, 2022 promised to be a year of continued recovery for the UK economy. However, fresh pressures came from supply chain problems, labour shortages, political instability and spiralling energy costs exacerbated by the war in Ukraine. These combined to take inflation to levels not seen in recent decades. The inevitable response to these inflationary pressures from central banks throughout the world (and indeed in the UK) has been a relatively sharp increase of interest rates after a long period of very low, and generally stable interest rates.

A series of base rate rises throughout the year - a trend that started in the final quarter of 2020 - saw the Bank of England's base rate rise from 0.25% at the start of 2022 to 3.5% by the end of the year. This has been the dominant issue in the stewardship of the Building Society sector over the last 12 months. Rising interest rates have significantly changed the landscape for both savers and borrowers.

Whilst the prospect of rising rates has brought relief for some savers, it has brought the seemingly inexorable rise in house prices to a halt and created fresh pressures for borrowers faced with both rising prices in the wider economy and increased mortgage costs. So far, the impact on the Society's mortgage book in terms of mortgage arrears has been slight but the Society stands ready to do all we can to assist borrowers that find themselves in difficulties.

Whilst we know that rates are important to our members - we know that service also matters. In a world where banking has become increasingly impersonal, we still value the human touch, and the opportunity to serve and connect with our members. The Society has invested significantly in the last two years to improve the quality of service to our members both on the mortgage and savings sides of the business, but with the aim of enhancing the human touch rather than replacing it.

Following two years in which the Society was effectively compelled by the pandemic to conduct its Annual General Meeting behind closed doors we were once again able to welcome members to our AGM in 2022. This also gave us an opportunity to highlight our involvement in the local community, which we see an inherent part of the DNA of a local Building Society.

The Society's Board has seen some changes in 2022. We have welcomed Chris Potter and Jo Carter to the Board as Non-Executive Directors bringing experience and skill in the areas of audit and HR respectively.

We also saw the retirement of our Chief Executive, Gerard O'Keeffe in September. Gerard made an exceptional contribution to the Society in his leadership of the Society over a 4-year period, bringing new impetus for growth, investment in the people and infrastructure of the Society. I am pleased to report that his successor, Dan Wass, shares Gerard's enthusiasm, values, ambition and vision for the Society.

Dick Jenkins
Chair

1 March 2023



FINANCIAL HIGHLIGHTS OF THE YEAR



Total Membership

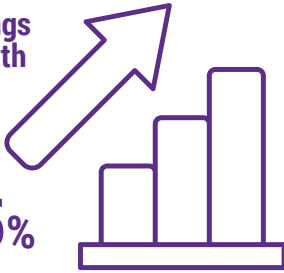
11,400



Member Service

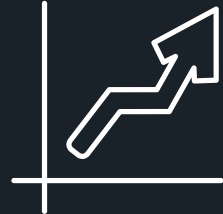


Savings Growth



Total Asset Growth

12.7%



Gross Lending

£78.7m



Profit before tax

£1.5m

UPDATE FROM OUR CEO



It is a pleasure to bring you my first CEO update since joining the Buckinghamshire Building Society in September 2022. I would like to take this opportunity to thank Gerard O'Keeffe for his leadership and contribution to the Society over his years as CEO.

I feel passionately about the role that building societies play in financial services and feel a very close alignment to the mutual values that are so strongly held across our sector. I can see that our Society has a deep-rooted purpose that underpins both strong foundations and mutual ambitions.

There's no doubt that market conditions were challenging in 2022, but we aimed to recognise the value of members' savings; remain competitive for homeowners and at the same time ensure reasonable returns for the Society's long-term sustainability. It's that same market backdrop that makes the Society's performance even more reassuring.

As we continue our strategic aims to grow our mortgage book safely and efficiently; invest in our products and services; invest in our people capability and in turn, support our local community – the Society has reported measured growth.

We extended £79m of new mortgage lending to members (+21% on 2021) and grew our overall mortgage portfolio by £32.9m. Our total savings balances increased by £38.2m to £293.5m (vs £255.3m in 2021), both of which underpinned the Society's total asset growth of £39.9m (+12.7% vs 2021).

Through eight base rate increases in 2022, we are proud to have been able to support the interest of our savings members by passing on increases

in savings rates whenever possible. Although the mortgage marketplace remained highly competitive, our mortgage book has seen solid growth as we have assisted members through our range of specialist products and unique service model. We faced higher costs during the year, driven by our investment in capacity and wider inflationary pressure, resulting in profits of £1.5m for 2022.

And in the context of the above, we are delighted to have seen overall Society membership grow by 7.5% to 11.4k members - growth and sustainability in member relationships that give us confidence as we look forward.

"We end the year in a strong position financially, operationally and with substantially increased capability to take the Society forward."

Our measured growth and mutual model enable us to continue our long-term investment in our society proposition. I am pleased that while navigating our path through a period of considerable change, the Society has continued its investment in our member proposition, by enhancing our mortgage origination experience; making improvements on our savings on boarding processes; launching our new segmented broker proposition; and investment in our IT systems and resilience.

UPDATE FROM OUR NEW CEO

We continue to identify areas where our unique skills and services can support specialist lending needs and are currently preparing to expand our product offerings in areas where we feel we have real strength. We also would like to make it easier to meet the lending needs of new and existing members directly, by launching our Direct Advice mortgage service and enhancing our member onboarding experiences.

2022 was a challenging year for everyone and we recognise that for some of our members facing financial hardship, the current economic climate is particularly challenging. If you are experiencing difficulty, we would always stress the importance of speaking to us. We have a range of support available depending on your circumstances as well as partnerships in the community that may be able to help.

We end the year in a strong position financially, operationally and with substantially increased capability to take the Society forward. We know that we cannot afford to stand still and must move forward to make this business even better for the current and the future generations of our members.

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

Dan Wass
CEO

1 March 2023



MEMBER FEEDBACK 2022

In April 2022 we conducted our annual Member Survey and were delighted that 725 of our members responded via email and post.

In keeping with previous years, we are pleased to share that overall satisfaction with our service is considered to be excellent by the majority of respondents. Overall, 91.2% of members were satisfied with the customer service they had received.

“Local Building Society that cares about local people”

“I have saved with this building society since I was 10 years old – it feels part of the village community”

2022 SURVEY RESPONSES

We saw an increase in scores across all metrics compared to 2021, as well as a 72% increase in responses.

Metric	2022	2021
Overall Satisfaction %	89.7	88.9
NPS (Net Promoter Score)	56.8	53.7
Member Service %	91.2	91.2
Communication %	88.6	88.2
Survey Responses	725	422

“There is always a real person on the end of the phone who also can always answer our queries. Absolutely brilliant!!”

“Local focus and great regular saver rates and charitable work”

MEMBER VOTE FOR CHARITY 2022 (SOUTH BUCKS HOSPICE)

In 2022, you voted for our charitable donation to be awarded to South Bucks Hospice.

South Bucks Hospice at Butterfly House is a day hospice supporting patients living with life-limiting or life-threatening illnesses, through the provision of specialist palliative care on an outpatient basis.

They help people at any stage in their diagnosis to adjust physically, psychologically, socially and emotionally to their condition, to keep well and to cope with any health and care needs at home wherever possible.

South Bucks Hospice also support patients' families and carers by offering a wide range of groups and therapies, including bereavement support.



"We are delighted that our members have chosen such an important and well-regarded local charity to receive our annual donation. The support South Bucks Hospice offer to patients and their families is invaluable."

Dan Wass, CEO,
Buckinghamshire Building Society



MEMBER VOTE FOR CHARITY 2023

In association with Heart of Bucks, we would like to ask you once again to vote for the charity that will receive the Charitable Foundation donation next year. Last year you voted for South Bucks Hospice, who will receive our donation in 2023.

Please vote for one of the shortlisted local charities, by ticking the box in your AGM voting form or by following instructions when you vote online.

WYCOMBE HOMELESS CONNECTION

Wycombe Homeless Connection serves people who are homeless or at risk of homelessness across south Buckinghamshire.

They help people by preventing homelessness before it starts; reducing harm for homeless people; helping house people; and defending the rights of people who are homeless or facing homelessness.

Services include the provision of emergency winter accommodation; a support centre that offers wide ranging support and advice; community outreach walks to connect people to our services; housing legal clinics where people facing a housing crisis can get specialist support to avoid illegal and unfair eviction; help to access health services, and much more.

www.wyhoc.org.uk



MEMBER VOTE FOR CHARITY 2023

AGE UK BUCKINGHAMSHIRE

Age UK Buckinghamshire's charity objective is to 'promote the relief of elderly people in Buckinghamshire' and their mission is to put the interests of older people living in the county at the centre of everything they do, by helping them achieve and maintain their independence and wellbeing.

They do this via 34 staff and over 200 volunteers, who together provide services in the following areas:

- Information and Advice Line
- Befriending Plus service
- Welfare Benefits service
- Hospital Discharge Support Service
- Home Services (a suite of in-home help like housekeeping, gardening and foot care for a fixed price)

They also advocate and champion the needs of older adults across the county, ensuring their voice is heard.



The Welfare Benefits service – delivered by a team of 15 volunteers led by an experienced Manager – secured over £1m of welfare benefits to older adults in Buckinghamshire 2020-21.

Clients call Age UK Buckinghamshire direct, or are referred by their Information and Advice Line and other organisations. The team assess needs and identify appropriate benefits on home visits, helping claimants complete claim forms for benefits like Attendance Allowance, Pension Credit and Carers Allowance. They also have Department of Work and Pensions (DWP) 'Alternative Office' status which helps them verify claims and allows them to stock claim forms.

www.ageuk.org.uk/buckinghamshire

BIG COMMUNITY TAKEAWAY

The Big Community Takeaway is run by the community, for the community. Serving Chesham, Amersham and surrounding villages, they are here to help people who are struggling, for whatever reason. They do this without judgement, with love and care, bringing support where it's needed.

They offer those in need a hot, freshly cooked, two-course meal (approx. 150-200 people per week). This is only possible due to their team of amazing volunteers who help prepare, cook and deliver the food.

Food poverty is a pressing issue and Big Community Takeaway are here to help. By delivering a high-quality, two course hot meal once a week to those in need, they support people when times are tough.

Through a network of organisations, they provide a gateway to other services to enable people to get back on their feet. They work with other communities and organisations, such as Restore Hope, the Clare Foundation, Buckinghamshire Council, schools, churches and mosques, to help those in need.

www.bigcommunitytakeaway.org.uk



GIVING BACK TO OUR LOCAL COMMUNITY

As a mutually owned local Building Society, supporting the Buckinghamshire Community is at the heart of everything we do.

We launched our Here To Help Fund in association with Heart of Bucks, and in January 2022, an independent panel decided on the distribution of the awards.

In total, 30 eligible applications were received and an independent panel decided on the distribution of the awards based on the application criteria. The Large Award was open to charities and non-profit organisations in the Health & Wellbeing sector, while the Small Grants Programme was targeted at the Community Cohesion and Isolation & Disadvantage categories.

The Large Award went to Youth Concern, an independent charity based in Aylesbury. We met with them recently to find out how the funding had been used, this is what they told us...



“Thanks to your funding, we have been able to employ another youth worker, keep our Drop-in Centre open for more hours and employ a counselling coordinator. We have also increased the numbers of volunteers at the Drop-in Centre, allowing paid youth workers to work with more complex young people.”

Youth Concern's Drop-in Centre is located in the heart of Aylesbury town and is the home of its counselling service, emergency accommodation project, Aylesbury Nightstop (for young people needing a safe bed for 1-28 nights) and many more activities.

THEATRE SHED

Theatre Shed received a grant of £3,878 which they used to purchase a neglected allotment plot in Chesham. The plot was transformed into an accessible outdoor area where people of all abilities can develop horticultural skills, along with a shed to store tools and provide shelter and warmth during the colder months. The participants are mostly adults with learning disabilities, physical disabilities and those who are struggling with their mental health. The project provides a positive and inclusive activity for them to work collaboratively together on to grow their own flowers, fruit and vegetables.

GIVING BACK TO OUR LOCAL COMMUNITY

MEDIATION BUCKS

“As a small charity whose work is not always seen as emotive or attractive to funders, the grant received was such a confidence boost and helped us so much to continue being able to support those people who need help. We cannot thank you enough for the funding provided and the trust you had in the service to make a difference. You helped us to make a real difference to 136 people’s lives across Buckinghamshire!”

The full list of charities that benefitted from the fund:

- Adoption UK
- Child Bereavement UK
- Children Heard and Seen
- Chiltern Music Academy
- Great Brickhill Parish Hall Committee
- Mediation Buckinghamshire

- Parkinson's Disease Society Amersham & HW
- Theatre Shed
- Youth Concern
- Wycombe Talking Newspaper

In addition to the above, we have supported a number of other local charities over this last year in a variety of ways, from donating to food banks and homeless appeals, to volunteering our time repairing and painting Chicken Coups at local charity, Restore Hope. All of our colleagues are committed to volunteering their time to a worthy cause at least one day each year.

WizeUp Financial Education

Now more than ever, we feel it's important to educate children and young adults about a range of financial topics including saving and budgeting, so in 2022 we extended our long-term relationship with WizeUp Financial Education, enabling them to conduct a further eight insightful workshops sessions across local schools and sixth forms.



We continue to be an active member of the Heart of Bucks Community Investor Fund – working in partnership to ensure charities most in need, get the help they deserve.

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 2022.

PURPOSE

The Buckinghamshire Building Society was founded in 1907 with a simple, mutual purpose...

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

As a mutual Society, over 115 years old, our objectives are to fulfil our purpose sustainably into the future. This requires us to offer 'value for money' products and services to our members, whilst generating sufficient return to maintain our stability, resilience, relevance and sustainability.

VISION

Our Vision is rooted in our purpose but underlines our ambitions to remain relevant and endure in a modern world:

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

STRATEGY

2022 saw continued momentum, strong financial performance and continued implementation of our strategy in line with our core purpose and vision. We achieved record levels of new business in 2022, and at the same time strengthened our mortgage retention performance. While our balance sheet growth has been measured, our liquidity and capital bases have remained strong and we have maintained buffers at all times, in line with our financial aims and prudent for a Society our size.

Our strategic aims over the recent past could be summarised as:

- **Capacity, Capability and Operational Efficiency**
- **Measured Growth**
- **Conservative liquidity and capital base**
- **Cultural transition**
- **Community Engagement**

Our mutual beliefs and vision for how the Society will endure, remains. But the changing environment presents the need to regularly review HOW we strive to achieve our strategic aims.

Following the arrival of the new CEO in Q3 2022, and the Strategy Review, the Board recognised the progress made in the last few years. The Board also agreed that the Society should take the opportunity to set out how the strategy will drive a sharper focus on outcomes for the Society, its members and partners.

As a result, our strategy has been consolidated to:

Sustainably Strong | Member Centred | Community Rooted

with 5 distinct pillars of work, focus and delivery:

Fit For Purpose: Placing financial sustainability and operational resilience at the centre of our growth ambition.

Enduring Savings: Nurturing growth of our membership through lasting savings relationships.

Crafted Lending: Bringing the best of our capabilities, and those of our intermediary partners, to innovate and craft lending solutions.

Engaged Colleagues: Investing in engagement, development, and well-being to make Bucks an exceptional place to work.

Greater Good: Collaborating with our partners to drive purpose-aligned benefits for our communities and wider environment.

OUR BUSINESS MODEL

Buckinghamshire Building Society is a strong, independent, regional building society focused on providing residential mortgages and is funded primarily by members' savings accounts. We do not provide current accounts, consumer lending, or insurance products.

Our 2022 performance headlines are below:

FUNDS (TOTAL £355m) ARE RAISED FROM:

- | | |
|----------------------|-----|
| 1. Customer deposits | 83% |
| 2. Wholesale funding | 9% |
| 3. Reserves | 8% |

THESE FUNDS ARE USED TO PROVIDE MORTGAGES (TOTAL £276m) TO:

- | | |
|--------------------------|-----|
| 1. Owner-occupiers | 84% |
| 2. Buy-to-let investors | 15% |
| 3. Commercial properties | 1% |

WE GENERATE INCOME (TOTAL £6.8m) FROM:

1. Net Interest Income - the difference between the interest and fees charged for mortgages and the interest paid on member deposits and other funding

WE INCUR COSTS (TOTAL £5.4m) ON:

1. Paying our people
2. Systems and technology
3. Property and other operating costs
4. Regulatory costs
5. Professional services

WE USE OUR PROFITS (TOTAL £1.5m) TO:

1. Maintain our capital strength
2. Invest in delivering improved products and services for members
3. Support future growth
4. Support the local community
5. Pay taxes

Each of the following sections represents key performance indicators, which have been identified in the Society's strategy and are measured against actual performance on a regular basis.

CAPITAL

This is an important measure of financial strength - the ability to absorb financial stresses and hence protect members' interests. Over 99% of the Society's capital consists of retained earnings accumulated over many years. This capital is described as Tier 1 Capital and is considered to be the highest quality of capital by our regulators. The Society also holds capital in the form of a revaluation reserve and collective loan loss provisions. The Society's gross capital ratio is 8.8% (9.5% in 2021).

The Society's Core Equity Tier 1 ratio (CET1) which is calculated as Core Tier 1 Capital divided by Risk Weighted Assets was 22% as at 31 December 2022 (25% in 2021). The CET 1 ratio has remained ahead of current regulatory requirements throughout the financial reporting period.

The Society's latest Pillar 3 disclosures can be obtained from the Society Secretary or the Society's website www.bucksbs.co.uk.

TOTAL INCOME

Total Income increased by 17% in 2022 compared to 2021. The increase has been mainly driven by strong business volumes as well as increase in the return on funds held at the Bank of England. The continued growth in our balance sheet is encouraging but our aim is always to achieve growth in a way that is sustainable and preserves our ability to serve our members over the long term.

PROFIT

The Society achieved a profit before tax of £1.5m in 2022 (£1.8m in 2021). The Board is pleased with this performance as it continues to be in line with the agreed strategy, to balance the objectives of generating sufficient profits to maintain our financial strength and operational resilience, whilst also delivering value to our members by providing competitive mortgages and savings products.

SAVINGS

Personal savers' balances increased by 18.5% during the year while corporate deposit balances decreased by 8.1%. Overall, the combined total of personal and corporate balances increased by 15.3% (compared to an increase of 4.6% in 2021) to a total of £294m (£255m in 2021). The increase in 2022 was higher than that of 2021, as the Society's mortgage pipeline has been continuously increasing, thereby resulting in a need to actively seek a stable and consistent level of inflows.

Providing value and good outcomes to members remains at the core of our savings strategy. Starting from late 2021 and continuing throughout 2022, we are proud of how we have been able to support the interest of our savings members by passing on increases in savings rates whenever possible.

LENDING

Gross lending for 2022 was £79m, up 21% from £65m in the previous year. Although the mortgage marketplace remained highly competitive, we are encouraged that our mortgage book has seen such solid growth as we have assisted members through our range of specialist products and unique service model. Our lending continued to be spread over a number of different sectors of the market but included first time buyers, self-build, shared ownership, lending into and in retirement, lending to those with non-standard income or some minor adverse credit history and borrowers investing in buy-to-let properties.

Repayments and redemptions increased to £46m (£39m in 2021), which was a direct result of the increase in maturities in 2022. The combination of these resulted in a net lending increase of £33m (£26m in 2021) and the mortgage book growing to £276.3m at the year-end (£244.8m in 2021).

The mortgage book comprises of 84% residential owner occupied mortgages, 15% buy-to-let mortgages and 1% commercial lending. The mortgage book continues to remain of high quality, with an overall indexed loan-to-value of 50% and around 9% of balances with an indexed loan to value of 80% or more. The level of retentions from expiring mortgage products was in line with 2021 as the Society has continued to focus on retention of mortgage customers.

BOARD

The Board is comprised of six Non Executive Directors and two Executive Directors, providing a strong balance of skills and experience. Brief bios of Board members are available on pages 27-29.

Christine Higgins stepped down as Chair of Audit Committee at the end of the last AGM, after a period of six years on the Board. Nigel Montgomery also stepped down from the Board in April 2022. The Board would like to thank both Christine and Nigel for their significant contributions to the Board.

Chris Potter joined the Board in January 2022 to take over from Christine as the Chair of Audit Committee. Chris Potter is a Chartered Accountant with over thirty years of audit experience mostly within the financial services industry. Chris has proven leadership experience and specialist skills in managing technology risk and cyber security as well as audit of internal controls. Chris was elected by our members at the AGM in 2022.

Jo Carter joined our Board as a Non -Executive Director in October 2022. With a background in Human Resources, Jo has a strong track record in leading and delivering transformational change and organisational development in both established businesses and start-ups. Jo brings in a wealth of experience on the Board on strategic and operating model development, process re-engineering, organisation change and development, succession planning, talent management and leadership development. An accredited coach and mentor, Jo has been a valuable addition on the Board.

Gerard O’Keeffe, having been our CEO over the last four years retired in September 2022. The Board would like to express deep gratitude to Gerard for his exemplary leadership and stewardship of the Society during his tenure.

Dan Wass joined the Society as the new CEO in September 2022 and has received his regulatory approval in December 2022. Dan has over 20

years’ experience in Financial Services, most recently as Director of Member Propositions, Banking, Insurance and Investments at Nationwide Building Society - leading through a period of record membership growth.

Both Dan and Jo, having been appointed on the Board during 2022 will, in accordance with the Society Rules and as recommended by the Board of Directors, offer themselves for election at the AGM in April 2023. In accordance with the Society Rules, directors must periodically stand for re-election. Eric Leenders having been on the Board for nine years is offering himself for re-election at the 2023 AGM. The Board, considering his contributions as Vice Chair is recommending an extension of Eric’s term on the Board. Also retiring by rotation this year, is Dick Jenkins who being eligible is offering himself for re-election.

MEMBER SATISFACTION

Listening to our members and using their feedback to improve our services is an important aspect of our culture.

In April 2022, we undertook our annual member survey and are pleased that 725 (72% increase in responses, vs. 2021) of our members responded via email and paper.

In keeping with previous years, we are delighted to share that overall satisfaction with our service is considered to be excellent by the majority of respondents. Overall 91.2% of respondents were satisfied with the service they had received. ‘Friendly, Local and Helpful’ were the most common words used by our Members to describe the Society.

We have had a low level of complaints this year, and only two complaints have been referred to the Financial Ombudsman Service, one of which was decided partly in our favour and the decision on the other still outstanding.

OUR COLLEAGUES

Our culture, as evidenced by our colleagues and our approach to everything we do is central to what makes this Society as strong as it is. The commitment, togetherness and professionalism of our team make this Society special. To succeed in the modern financial services market, we need to combine wide ranging experience and capability with a deep affinity with the purpose of the Society. We have materially increased our key person resilience and our overall capability in key areas and intend to continue to invest in our colleagues.

OUTLOOK/FUTURE DEVELOPMENTS

The COVID pandemic, Brexit transition and the war in Ukraine, clearly represent 3 very significant economic events – the combined effects of which will set the direction for the economy, globally and in the UK, in the near and middle term. The knock-on inflationary consequences and economic re-alignment to higher prices started in 2022. Current base rate forecast ranges project base rate reaching 4.5% by mid-2023. While some stability in the markets has returned, until base rate, and the corresponding savings and mortgage rates settle, the market conditions are likely to remain uncertain. It is expected that the UK will be in recession through 2023 with various projections as to the outlook beyond. The optimistic scenarios follow a steady decline in inflation (and so rates) as the higher energy costs from 2022 roll out of the datasets in 2023 but there is a reasonable argument that inflation reduction will be slow to come through.

For balance, we can take some comfort that the mortgage market has shown resilience through economic challenges, borrowers have been assessed for affordability on rates that are still well above current mortgage rates; borrowers have not used housing equity to finance a spending boom of the kind that preceded

previous downturns; and owner-occupiers as a group have never had such a strong cushion of housing equity to fall back on. Market stability or at least sustained settling of market conditions would represent a positive phase for the market, easing of rates and gradual return of confidence.

We have defined our path to sustainability. That path is based on meeting the needs of more specialist/complex mortgage niches and getting that exceptional capability recognised by our key distribution channel. It is based on connecting consistently and credibly with a customer base that values us for being a different type of financial institution – mutual, local, serving for a purpose rather than for profit maximisation.

To survive and prosper, we will need to stand out from our peer group as a well-managed Society aiming to strike a balance in order to manage near term macro-economic headwinds, optimise returns for medium term sustainability and investment and maintain its path to measured growth.

On behalf of the Board

Dick Jenkins
Chair

1 March 2023

SUMMARY STATEMENT

INCOME STATEMENT	2022	2021
	£000	£000
Net interest receivable	6,845	5,863
Other operating income and charges	(7)	(7)
Fair value gains and (losses)	(22)	(22)
Total income	6,816	5,834
Administrative expenses	(5,372)	(4,309)
Operating profit before provisions	1,444	1,525
Provisions	74	244
Profit for the year before taxation	1,518	1,769
Taxation	(288)	(382)
PROFIT FOR THE YEAR	1,230	1,387

FINANCIAL POSITION AT END OF YEAR	2022	2021
	£000	£000
Assets		
Liquid assets	72,915	66,967
Mortgages	276,284	244,774
Derivative financial instruments	2,066	303
Fixed and other assets	3,397	2,745
	354,662	314,789
Liabilities		
Shares	261,970	220,916
Borrowings	62,792	65,360
Derivative financial instruments	188	1
Other liabilities	1,165	1,209
Reserves	28,547	27,303
	354,662	314,789

SUMMARY OF KEY FINANCIAL RATIOS	2022	2021
	%	%
Gross capital as a percentage of shares and borrowings	8.79	9.54
Liquid Assets as a percentage of shares and borrowings	22.45	23.39
Profit for the year as a percentage of mean total assets	0.37	0.46
Management expenses as a percentage of mean total assets	1.60	1.43

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 1 March 2023 and signed on its behalf by:**

Dick Jenkins - Chair

Chris Potter - Chair, Audit Committee

Dan Wass - Chief Executive Officer



Sustainably Strong | Member Centred | Community Rooted

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 21.

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 2022;
- 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 2022.

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 misstatements 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 2022 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

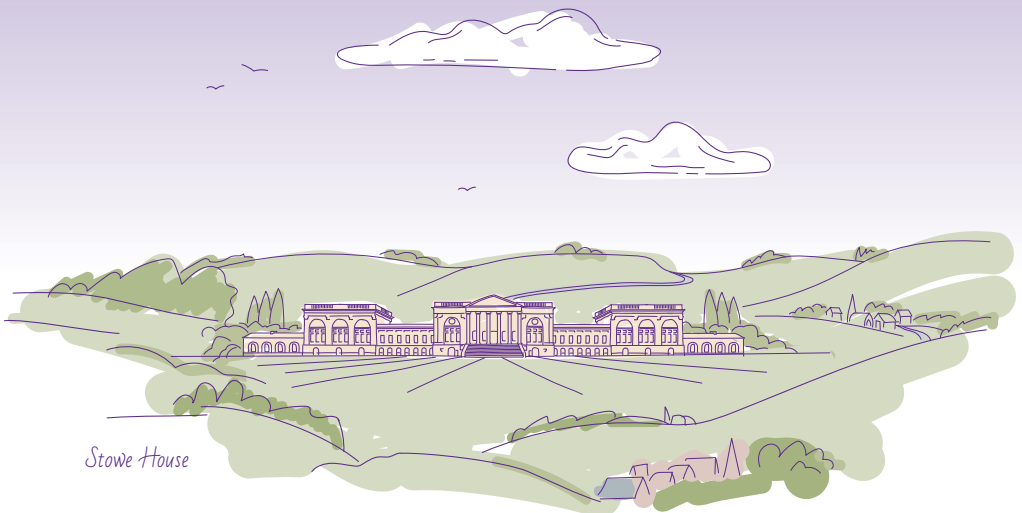
USE OF THE STATEMENT

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

1 March 2023



DIRECTORS' REMUNERATION REPORT

The 2022 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 2022 (in comparison with 2021). 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.

HOW DOES THE SOCIETY MANAGE DIRECTORS' REMUNERATION?

The Society manages Executive Directors' pay and the Non-Executive Directors' fees via the Remuneration Committee. The Committee is made up of four Non-Executive Directors and has the mandate from the Board to review the Society's Remuneration Policy and ensure that Directors and all our colleagues are rewarded fairly, equitably and without any discrimination.

The Remuneration Committee reviews the Executive Directors' remuneration annually, using a range of economic factors and benchmarking pay data from comparable organisations. The fees payable to Non-Executive Directors are considered by the 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 commitment.

HOW HAVE EXECUTIVE DIRECTORS' SALARIES CHANGED IN 2022?

After a very stable last few years, the Society saw a period of high colleague turnover during 2022. The challenges of a severely competitive employment market along with unprecedented high rates of inflation and the cost of living crisis

made it necessary for the Society to offer a level of remuneration to our Executive Directors and colleagues to attract and retain talent, recognise their individual capabilities and experience and reward their contributions towards the overall performance of the Society.

The salaries of the Executive Directors increased in 2022 in line with pay increases across the rest of the organisation to address cost of living rises as well as benchmarking analysis of comparable organisations. The aim was to ensure that the salaries remain fair, competitive, and appropriate for roles and responsibilities. The Executive Directors' pay in 2022 and 2021 are detailed on Page 25.

The Executive Directors' remuneration is aligned to the Society's purpose and values and linked to the successful delivery of the long term strategy. 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 changes in roles and responsibilities.

DID THE SOCIETY PAY BONUSES IN 2022?

The Society paid bonuses in 2022 to all eligible colleagues in recognition of the Society's performance in 2021. Information on the Bonuses paid to the Executive Directors in 2022 and 2021 are available on page 25.

Payment of any bonus by the Society is purely discretionary and is decided by the Remuneration Committee, following a carefully considered process. The Discretionary Bonus Policy is the same for Executive Directors and all other colleagues and allows for awarding a bonus up to a maximum of 15% of base pay. Three key business performance measures must be achieved by the Society before a bonus

payment can be considered. The Remuneration Committee, comprised entirely of independent Non-Executive Directors then follows a rigorous process of assessing the Society's performance during the year in a further four performance areas, viz., Business Performance, Customer Experience, People and Systems and Controls. The output from the Society's assessment is then applied to the individual achievements based on their behaviours and performance to agree on the final bonus percentage up to a maximum of 15% of their base pay.

HOW MUCH DID THE EXECUTIVE DIRECTORS EARN IN 2022?

The table below shows the audited information on the remuneration of the Executive Directors of the Society for the years ended 31 December 2022 and 2021.

In addition to the amounts paid as per the table, Dan Wass earned a bonus of £8k for the period September to December 2022 and Darrin Ramdeen earned a bonus of £9.77k for the year 2022, both are to be paid in March 2023.

EXECUTIVE DIRECTORS' EARNINGS					
Executive Directors' Remuneration	Salary	Bonus	Benefits	Employer's Pension Contributions/PILOP	Total
2022	£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	13	169
D Ramdeen	140	12	3	14	169
Total Executive Directors' Remuneration	318	36	11	28	393
Total Directors' Remuneration	481	36	11	28	556
2021	£000	£000	£000	£000	£000
G O'Keeffe	166	0*	4	17	187
D Ramdeen	130	11	0	13	154
Total Executive Directors' Remuneration	296	11	4	30	341
Total Directors' Remuneration	445	11	4	30	490

* Gerard O'Keeffe, although eligible, asked not to be considered for a bonus payable in March 2021, in recognition of the extraordinary circumstances faced by the Society and its members during the pandemic.

Dan Wass contributes to the Society's pension scheme which allows for a maximum Society contribution of 10% of base salary. Gerard O'Keeffe and Darrin Ramdeen opted, in lieu of their 10% of salary pension entitlement, to receive a cash equivalent sum (PILOP) at no additional gross cost to the Society (included in the table above).

HOW DOES EXECUTIVE DIRECTORS' REMUNERATION COMPARE TO STAFF AT THE SOCIETY?

The pay ratio of the Chief Executive Officer and the Finance Director compared to the average colleague salary as at December 2022 was 4 and 3.1 times respectively.

DIRECTORS' REMUNERATION REPORT continued

DID NON-EXECUTIVE DIRECTORS' FEES CHANGE IN 2022?

The Fees for the Non-Executive Directors increased in 2022 in line with the percentage increase in pay awarded to our Executive Directors and colleagues.

Non-Executive Directors' Fees are reviewed annually with reference to our peer group and relevant benchmarking data. Consideration is also given to specific responsibilities and time commitment required for Chairs of the various Board Committees. Fees for Non-Executive Directors are not pensionable and Non-Executive Directors do not participate in any discretionary bonus scheme or receive any other benefits.

HOW MUCH DID THE NON-EXECUTIVE DIRECTORS EARN IN 2022?

The table on the right shows the audited information on the remuneration of the Non-Executive Directors of the Society for the years ended 31 December 2022 and 2021.

NON-EXECUTIVE DIRECTORS <i>(Includes fees and reimbursement of expenses)</i>	2022	2021
	£000	£000
R Jenkins	39	35
E Leenders	28	25
S Nichols <i>(Resigned on 24/04/21)</i>	-	7
C Higgins <i>(Resigned on 20/04/22)</i>	8	25
N Montgomery <i>(Resigned on 30/05/22)</i>	8	22
R McBride	24	21
A Lucas <i>(Appointed on 01/05/21)</i>	23	14
C Potter <i>(Appointed on 04/01/22)</i>	27	-
J Carter <i>(Appointed on 03/10/22)</i>	6	-
Total	163	149



BOARD OF DIRECTORS



RICHARD DAVID JENKINS - CHAIR

Dick Jenkins was appointed as the Chair of the Board of the Buckinghamshire Building Society in October 2019, having joined the Board as a non-executive director in April 2018. He also sits on the Society's Assets and Liability Committee, and its Nomination and Remuneration Committees.

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, a society of a similar size and profile to the Buckinghamshire 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 & NON-EXECUTIVE DIRECTOR

Eric Leenders was appointed on the Board as a non-executive director in April 2014 and Chair of the Risk Committee in May 2017. He is currently Vice Chair, Senior Independent Director and Chair of the Risk Committee. He also sits on the Audit Committee and Nomination Committee of the Board.

Eric is a career banker with over thirty years' 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 and Chair of the HR and Remuneration Committee at Registry Trust Limited, having stepped down as a director of BBA (Enterprises) Limited and the Lending Standards Board in 2017.

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.

BOARD OF DIRECTORS continued



JOANNE FRANCES CARTER - NON-EXECUTIVE DIRECTOR

Jo Carter joined the Board as a Non-Executive Director in October 2022 and is a member of the Audit, Remuneration and Nomination Committees of the Board.

Jo's career spans FTSE100 companies, private and public sectors, charity, mutual and not-for-profit organisations in multinational, complex and unionised environments. With a background in Human Resources, she has a strong track record in leading and delivering transformational change and organisational development in both established businesses and start-ups. Having begun her career in a number of roles in investment banking, the latter part of Jo's career has focussed on strategic and operating model development, process re-engineering, organisation change and development, succession planning, talent management and leadership development. 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, the West Kent Lord's Taverners and also plays in a samba drum band.



ANDREW SPENCER LUCAS - NON-EXECUTIVE DIRECTOR

Andy Lucas joined the Board as a non-executive director in May 2021 and is a member of the Risk, Assets and Liabilities, Remuneration and Nomination Committees.

He started his career in marketing and sales and much of his experience has been centred on financial services, particularly savings & investments, mortgages and insurance. He has managed eCommerce developments for over 20 years and led product, customer service, change management and technology operations. After senior roles at Prudential and ACE Insurance Group, he was Director and Chief Operating Officer at The Cambridge Building Society, where he worked for over 9 years.

Andy is a non-executive director of Cirencester Friendly Society, a Trustee of YMCA Trinity Group and Vice-Chair of The Christian Conference Trust, as well as a member of The Chartered Institute of Marketing. Away from work he likes to travel, being a keen walker and photographer, or relax in the kitchen tackling a new recipe!



REBECCA MCBRIDE - NON-EXECUTIVE DIRECTOR

Rebecca McBride joined the Board as a non-executive director on 1 May 2020 and is a member of the Risk, Assets and Liabilities and Nomination Committee. Rebecca has also chaired the Remuneration Committee of the Board over the last year.

Rebecca has nearly 30 years of experience in financial services from both a regulatory and business perspective. She is currently 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.

Rebecca is married with two daughters and lives in Wimbledon.

BOARD OF DIRECTORS continued



CHRISTOPHER WILLIAM POTTER - NON-EXECUTIVE DIRECTOR

Chris Potter joined the Board as a non-executive director in January 2022 and was appointed as the Chair of the Audit Committee in July 2022. He is also a member of the Risk Committee and Nomination Committee of the Board.

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 and 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 strategic advisor for Inflo, 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 - CHIEF EXECUTIVE OFFICER

Dan Wass joined the Society in September 2022 as Chief Executive Officer. He is the Chair of the Assets & Liabilities Committee and is a member of the Nomination Committee, as well as being a regular attendee at the Audit, Risk and Remuneration Committees.

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.



DARRIN NARENDRA RAMDEEN - FINANCE DIRECTOR

Darrin Ramdeen joined the Society as Finance Director in July 2019. Darrin is a member of the Assets and Liabilities, Nomination and Risk Committees, and is also a regular attendee at the Audit and Remuneration Committees.

Darrin is a Chartered Accountant with almost 20 years of experience in the financial services sector, having held senior positions in banking, insurance and reinsurance, both in the UK and overseas. Over the past 13 years Darrin's main focus has been on corporate strategy and performance improvement, transformational change and mergers and acquisitions. He has extensive experience in enterprise software for banks and financial services, having led a number of major system implementation projects over the years.

Darrin was appointed to the Board of the Building Societies Trust Limited in December 2020 and has taken up the position of the Treasurer to the Royal British Legion (Muswell Hill) in January 2023.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 116th Annual General Meeting of the Buckinghamshire Building Society will be held at Kings Chapel, Kings Arms Hotel, 30 High Street, Amersham, Buckinghamshire, HP7 0DJ on Wednesday 19 April 2023 at 3:00pm.

1. To confirm the Minutes of the 115th 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 2022.

(A copy of the Society's Annual Report and Accounts for the year ended 31 December 2022 is 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 2022.

(Advisory vote, please refer to the Directors' Remuneration Report on pages 24-26 of the Business Review)

5. To consider and, if thought fit, elect or re-elect (as indicated) the following as Directors of the Society.

(Information on the Directors standing for election and re-election can be found on pages 27-29 of the Business Review)

- 5.1. To elect Daniel Mark Wass as a Director.
- 5.2. To elect Joanne Frances Carter as a Director.
- 5.3. To re-elect Eric John Leenders as a Director.
- 5.4. To re-elect Richard David Jenkins as a Director.

By Order of the Board

C. Banerjee, Society Secretary,
Buckinghamshire Building Society
1 March 2023

NOTES

These notes form part of the Notice of Meeting

- In order to attend and vote at the Meeting, 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 meeting, you are entitled to appoint a proxy to attend the Meeting and vote on your behalf on a poll. The proxy may be the Chair of the Meeting or anyone else.
- If attending and wishing to vote at the Annual General Meeting, 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 Meeting.
- You may direct the proxy on how to vote at the Meeting. Your proxy may vote for you at the Meeting but only on a poll. Your proxy may demand or join in demanding a poll at the Meeting and may speak on your behalf.

If you have a question for the Board and not able to attend the meeting in person, 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 17 April 2023.

To find out more about our AGM and any updates, please visit our website at www.bucksbs.co.uk



HOW TO VOTE



In person at the AGM



Online at www.cesvotes.com/bucks23



By post using the enclosed proxy form and prepaid envelope to arrive no later than 3pm on 17 April 2023.

BUCKINGHAMSHIRE 
— BUILDING SOCIETY —

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Bucks HP8 4QB

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