



MINUTES OF ANNUAL GENERAL MEETING

Duly convened at 11am on Wednesday, 30 April 2025 at Westwood Golf Club, Newcastle Road, Leek, Staffordshire, ST13 7AA

Board Members:

John Gibson	Chair
Felicity Bambery	Non-Executive Director
Pak Chan	Non-Executive Director
Dave Cheeseman	Non-Executive Director
Steve Clarke	Chief Financial Officer
Andy Deeks	Chief Executive Officer
Jane Kimberlin	Senior Independent Director

Apologies:

None

In attendance:

Voting Members of the Society – 44

Non-Voting Members – 4

Non-Members - 6

Claire McCarthy, Chief of Staff (Secretary)

Lee Whittaker, Howsons Electoral Services

James Tye, Your Emotional Support Service (YESS)

Julie Bird, Your Emotional Support Service (YESS)

David Ashworth, PricewaterhouseCoopers L.L.P.

Agenda item 1: Opening of the Meeting

The Chair stated that the meeting had been duly convened and that a quorum was present. He welcomed members, guests and community partners that were present.

In terms of the meeting's governance, the Chair added that Lee Whittaker from Howsons Electoral Services were in attendance to provide independent oversight over voting procedures. David Ashworth from PricewaterhouseCoopers L.L.P., the Society's External Auditor, was also present.

Agenda item 2: Notice of Meeting

With the permission of the members, the Notice of Meeting was taken as read.

Agenda item 3: Registration of Votes

The Chair advised that all resolutions had been the subject of a poll and that those members who had not yet cast their vote would have the opportunity to do so later in the meeting.

Agenda item 4: Minutes of the Annual General Meeting held on 24 April 2024

The Chair stated that the minutes of the Annual General Meeting held on 24 April 2024 had been approved at the Society's Board Meeting on 23 May 2024 and were available on the Society's website.

Agenda item 5: Chair's Address

The Chair addressed the meeting. As the new Chair of Leek Building Society, he was delighted to introduce the 2024 Business Review and Summary Financial Statements. The Society had continued to perform strongly in a year when challenging macroeconomic conditions persisted. The Society's mutual values had ensured that it remained focused on its members, whilst the continued commitment, enthusiasm and dedication of its colleagues led to the Society delivering a strong performance for all its stakeholders.

In 2024 the Society saw robust financial performance, strong risk management standards and high member and colleague satisfaction, whilst also continuing its strategic investment programme which would underpin its success and sustainability for many years to come. The Society ended the year with a balance sheet of £1.4 billion, record mortgage growth, strong levels of capital reserves and healthy liquidity. Significant details regarding financial performance, strategy and risk management could be found throughout the Annual Report and Accounts, in particular in the Chief Executive's Review, Strategic Report and Risk Management Report.

Economic and market conditions remained challenging throughout the year, although inflation subsided significantly during 2024, with the Bank of England responding by starting to reduce the base rate in the summer. Cost of living pressures persisted and, in terms of members' ability to repay their borrowings, interest rates remained relatively high for those on variable rates or for those reaching the end of their fixed rate mortgage term. It was encouraging to report that the Society had seen only marginal increases in mortgage arrears during 2024, a result that had undoubtedly been helped by its prudent approach to underwriting and customer affordability. However, there was naturally a risk that higher arrears would materialise in 2025 as interest rates remained elevated. He emphasised that the Society had a range of resources to support any members who were in financial difficulty or indeed who were concerned that they may experience difficulties in the future.

Mortgage market activity showed signs of recovery through 2024, with gross lending higher nationally than in 2023, but still well below pre-pandemic levels. This was due in significant part to the higher interest rate environment and the associated affordability challenges faced by borrowers, although the ongoing housing supply shortage saw prices remain more resilient than was anticipated. Against this backdrop, he was very pleased to report that, building on strong growth in 2023, the Society saw a record level of net mortgage lending, demonstrating the strength of its proposition to both borrowers and brokers. The savings market experienced a range of dynamics during 2024. Cost of living pressures saw some customers draw down their savings to support everyday spending; whilst those who could afford to save tended to seek out competitive fixed rate products where the yields on offer appeared attractive relative to other investment types. The Society was committed to offering a wide range of products to suit Members' needs and launched new products during the year to enhance customer choice including a new notice saver account. The Society also worked to improve financial education in its communities, including

supporting financial education in schools via the Young Enterprise initiative.

Usage of the online platform, Leek Online, continued to grow. This was both an alternative channel to access Leek savings products for Members in its heartland and a way of attracting Members outside of its heartland, where branch access was not an option. In 2024, the Society also implemented a new mortgage platform, which was performing well, and enabled a significantly improved mortgage application experience for new borrowers and mortgage broker partners.

As mentioned earlier, 2024 had been a year of great change and transition at the Society. In July 2024, Andrew Healy MBE, the Society's Chief Executive for the past five years, stood down after a very successful tenure that included delivery of a multi-faceted transformation programme to modernise the Society, resulting in flexible new IT infrastructure, digital savings and mortgage platforms, remodelled branches and new products and services. Andrew was succeeded by Andy Deeks, an established Executive Director with many years' experience in Building Societies and in the wider financial services sector. He was confident that Andy would continue to pursue the journey of growth and modernisation that the Society had embarked on. Andy had spent much of his career working in the mutual sector, and, along with the rest of the Board, was committed to delivering this as an independent mutual.

There were also a number of other changes to the Board through 2024. Chief Risk Officer, Andrew Davies signalled his intention to retire at the end of the year, and following a robust recruitment process, Marco Ruberto replaced Andrew at the start of 2025. Andrew Davies had been instrumental in building a strong risk culture at the Society, ensuring that strong performance and transformation had not come at the expense of risk management standards, and Marco would ensure that those high standards were maintained going forwards. The Society's Deputy Chief Executive, Darren Ditchburn was successful in being appointed as Chief Executive Officer of the Vernon Building Society during the year and left the Society in December 2024. Darren successfully led the implementation of much of the transformation work over the last few years and the Society wished Darren all the very best in his new role. Darren's responsibilities had been re-distributed across a re-shaped Senior Management team, including wider responsibilities for Steve Clarke, Finance Director, who began a new role as Chief Financial Officer in December 2024, and the introduction of a new Distribution Director role.

John Leveson, Non-Executive Director and Chair of Board Remuneration Committee, retired from the Board in April 2024 when his tenure came to an end, with Jane Kimberlin taking over as Chair of Board Remuneration Committee. Following an extensive recruitment process, John Gibson joined the Board as a Non-Executive Director in January 2024, following an Executive career in the building society sector. After a thorough recruitment process, he was appointed as Rachel's successor as Chair. To maintain five Non-Executive Director positions following the transition of the Board Chair role, a further recruitment process was undertaken, resulting in the appointment of Pak Chan, an experienced commercial Director in the retail banking and finance sector.

John wished members all prosperity, good health and happiness throughout 2025 and the years ahead, and looked forward to seeing the Society continue to go from strength to strength.

Agenda item 6: Chief Executive's Address

Chief Executive, Andy Deeks addressed the meeting. He thanked members who had attended and noted that the Society was a special organisation. He reiterated John's commitment to running the Society on its previous values and ethos and delivering its journey of growth and modernisation as an independent mutual.

Andy spoke to the history of Ketley's Building Society, founded in Birmingham in 1775, 250 years ago, which was the world's first building society. Ketley's Building Society existed to pool resources of its members, who would contribute a specified amount into a shared building fund and draw lots to select which of its members would have land purchased and a home constructed. He then spoke to the history of Leek Building Society, which was established in 1863 and an important place as one of the first permanent societies. In 1999, the Murray Financial campaign tried to demutualise the Society and if successful in Leek, could have been successful at other societies. He felt it was a great asset that Leek was one of the 42 remaining societies today which was ranked 17th in the building society sector based on its asset size.

He added that whilst a lot had changed over the history, what had not changed was the principles of building societies. A strong organisation which served its members, colleagues, and communities. The Society was in good health with £80.5m reserves of regulatory capital, which was its 'rainy day' fund. The Society continued to make robust profit, which was £4.2m in 2024. This was slightly down from £6.4m in 2023 however, he reassured members that this was ok as the Society needed to reinvest for its members for the long term. The Society had strong levels of liquidity, £249m liquid assets which were immediately available which was two and a half times where it was needed. Another milestone reached in 2024 was that the Society's mortgage book reached £1.1bn, an organisation that people wanted to remain with and wanted to join. The Society continued to be attractive to both its members and colleagues.

In terms of colleagues, Andy was delighted to see the Society awarded the Top 100 Global Most Inspiring Places to Work. In addition to this award, there was a growing focus on wellbeing with funded health screenings for colleagues along with access to leading mental health resources. The Society was committed to fair pay and had rewarded more junior colleagues with higher percentage pay increases.

In terms of members, Andy was delighted to announce another strong year of customer satisfaction which had seen 98.4% based on surveys through Smart Money People. The Society had also been nominated as a finalist for Best Building Society, Best Building Society Mortgage Provider and Best Building Society Savings Provider in the British Bank Awards 2025. He advised that the Society did not always get things right, however when it did get things wrong it would put them right. The Society had achieved a Net Promoter Score of 91.4 at a time some banks had a very low score. The Society had delivered competitive rates with a Net Interest Margin of 1.52%, delivering value for its members. He was committed to delivering an organisation where its members were satisfied and would recommend the Society to others.

In terms of communities, the depth of community impact set Leek Building Society apart from others. Last year the Society donated over £150k to charities and good causes, and it was on track to donate £500k by 2027. Volunteering in its communities and seen 201 staff volunteering days used in 2024. The Leek Building Society Charitable Foundation had provided grants of £36,715 to charities and community groups and members would be hearing later from the charitable foundation along with the Society's community partner Your Emotional Support Service (YESS).

Andy finished by thanking colleagues who were dedicated to the Society. He also thanked members for their support, which was never taken for granted.

Agenda item 7: Members' Questions

The Board proceeded to address the questions submitted by members ahead of the meeting as well as those raised during the meeting.

Question 1: The member noted that currently the limit to the number of mortgages available for BTL properties was 6 and questioned if there were any plans to increase this.

John Gibson, Chair, responded and advised that the Society kept its lending policy under constant review but, as things stood, the Society did not have any plans to change the maximum number of buy-to-let properties.

Question 2: The member noted that following the last two Bank of England Base rate reductions of 0.25% each, the Leek United Standard Variable rate did not reduce on the first reduction and had only reduced by 0.10% on the last reduction. This had led to a very minimal drop in the monthly payments even though interest rates in general had dropped. The member asked the reason for not reducing the SVR in line with BOE base rate changes, and thus passing on the benefits to its lenders, especially as the interest rates on savings had dropped in line with the BOE base rate drop.

John Gibson, Chair, responded and advised that although Bank of England base rate was an important consideration when decisions were made on SVR, it was not the only one. The Society needed to balance the needs of saving and borrowing members and consider the wider impacts on capital for which there were regulatory requirements – and with good reason. The immediate impact of each and every Bank of

England base rate reduction on the Society was negative, as the money held with the Bank of England earned 0.25% less overnight, and market pricing for savings and mortgages rarely moved in line with either and never immediately. The Society's job was not to maximise profits but to retain sufficient capital to run and invest in the Society and, of course, offer members attractive rates of interest on both savings and mortgages, plus keep its members deposits safe. The Society could demonstrate that it was not 'profiteering' from its pricing. Underlying Profit Before Tax fell from £6.4m to £4.2m last year. When base rate increased from 0.25% to 5.25% during 2022/2023, an overall increase of 5.00%, the Society's SVR only increased by 3.05% from 5.19% to 8.24%.

Question 3: The member asked if it was possible to add the property address onto mortgage communications so that members did not have to search for the property using the account number only.

John Gibson, Chair, responded and advised that the Mortgage Advice and Servicing teams were currently undertaking a full review of all the letters which were sent as part of the mortgage retention process to ensure that they were clear and easily readable. The feedback provided by the member previously given about adding the property address, as well as the account number, was one of the first things the Society intended to address as part of this review.

Question 4: The member asked what proportion of transactions were online as opposed to through branches.

John Gibson, Chair, responded and advised that whilst the Society's online presence had grown, it was never the intention that online would replace branches. He added that research had shown that when institutions had implemented an online offering, most of its online customers were within a 20 mile perimeter of the branch. Whilst customers wanted online access, they still wanted a branch interaction. Andy Deeks, Chief Executive, added that the proportion of transactions in branch were over 90%.

Question 5: The member asked if the Society had any plans to open any new branches.

John Gibson, Chair, responded and advised that the Society did not have any plans to open a branch in the immediate future however the branch strategy in respect of opening branches may change in the future. He added that the Society was committed to its communities. Andy Deeks, Chief Executive, advised that opening a new branch was very expensive and noted interesting developments with other societies where branches had been put in community spaces. He felt it was unlikely to open a standalone branch however the Society may look to open community branches in shared premises.

Question 6: The member commented that they did not know Leek Building Society previously existed, it was only when they were stood in its Oakengates branch and following the strength of conversations of staff who were very informative had they moved their money to the Society.

John Gibson, Chair, thanked the member for their positive comments.

Question 7: The member felt that one of the problems when visiting branches was that they closed early and some members could not get there early enough. The member questioned if it would be possible to have one afternoon/evening where the branch was open until 5pm.

Andy Deeks, Chief Executive, responded and thanked the member for their feedback. He advised that the number of transactions had reduced and typically after 3pm there was little use of the branches. However, he committed to consider opening later one day to see if this would work.

Question 8: The member spoke to the closure of bank branches in Leek and questioned if the Society could assist those banks in providing a space for its customers.

John Gibson, Chair, responded advising that the space within the Leek branch was not suitable due to banks offering wider services and he did not believe there was an appetite amongst banks to share competitor locations. Andy Deeks, Chief Executive, added that if the closure was the last bank in town, consideration was given via LINK to whether to provide a Banking Hub which was like a post office counter

with individual high street banks in attendance one day each per week. In terms of what Leek could do, Executives were looking into opportunities to see if there was anything more the Society could do. The bank closures were not good for the people of Leek and opportunities were being actively considered.

Question 9: The member noted that a lot of businesses had seen impacts of the national insurance increase affecting margins and questioned how this affected financial services where they did not have an end product.

John Gibson, Chair, responded explaining that businesses had the options of cutting costs, charging higher fees or absorbing the costs; the last option was how the Society had responded seeing it as a cost of being in business. Felicity Bambery, NED, added that the Society's response was indicative of its mutual status.

Agenda item 8: Resolutions

The resolutions were announced as follows:

Ordinary Resolutions:

1. To receive the 2024 Annual Report & Accounts for the financial year ended 31 December 2024.
2. To re-appoint PWC as External Auditor until the conclusion of the next AGM.
3. To approve the Directors' Remuneration Report for the financial year ended 31 December 2024.

Election/Re-election of Directors:

4.
 - a) To elect Pak Chan
 - b) To elect Andrew Deeks
 - c) To re-elect Felicity Bambery
 - d) To re-elect David Cheeseman
 - e) To re-elect Steven Clarke
 - f) To re-elect John Gibson
 - g) To re-elect Jane Kimberlin

Whilst the votes were being verified, the Chair invited some of the Society's representatives of organisations it worked with and the Leek Building Society Charitable Foundation to speak to members about the great work they were doing to benefit local communities. Lizzie Hall, the Society's HR Director, introduced the panel which included Ian Blurton, Head of Branch Network and Customer Support, James Tye, Chief Executive of Your Emotional Support Service, and Julie Bird, Founder of Your Emotional Support Service.

The Chair announced the results of the resolutions.

Resolution 1: To receive the 2024 Annual Report & Accounts for the financial year ended 31 December 2024.

That the Annual Report and Accounts for the year ended 31 December 2024 be adopted.

The results of the poll were announced as follows:

For	Against
3,241	29
(99.11%)	(0.89%)

Resolution 2: To re-appoint PricewaterhouseCoopers L.L.P. as External Auditor until the conclusion of the next AGM.

That PricewaterhouseCoopers L.L.P. be re-appointed until the conclusion of the next Annual General Meeting (in accordance with Section 77 of the Building Societies Act 1986).

The results of the poll were announced as follows:

For	Against
3,183	86
(97.37%)	(2.63%)

Resolution 3: To approve the Directors' Remuneration Report for the financial year ended 31 December 2024.

That the Directors' Remuneration Report be approved.

The results of the poll were announced as follows:

For	Against
3,054	197
(93.94%)	(6.06%)

Resolution 4: Election/Re-election of Directors.

The results of the poll were announced as follows:

	For	Against
To elect Pak Chan	3,134 (96.58%)	111 (3.42%)
To elect Andrew Deeks	3,180 (97.49%)	82 (2.51%)
To re-elect Felicity Bambery	3,167 (96.76%)	106 (3.24%)
To re-elect David Cheeseman	3,152 (96.54%)	113 (3.46%)
To re-elect Steven Clarke	3,157 (96.66%)	109 (3.34%)
To re-elect John Gibson	3,153 (96.81%)	104 (3.19%)
To re-elect Jane Kimberlin	3,161 (96.79%)	105 (3.21%)

Agenda item 9: Any Other Business

The Chair, on behalf of the Board, management, and staff of Leek Building Society, thanked members for their attendance and continued support.

There being no other business, the Chair declared the meeting closed.



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John Gibson
Chair

30 April 2025