



Members' Review 2017



Bath Building Society

We're different because you are



“We have used Bath Building Society for our business deposit account for over ten years now. They offer a competitive rate on our deposits and run a very efficient service with balance transfers and cash processing. They are also a delight to deal with in the Branch, and it is always a pleasure to go in and see the staff there. We enjoy using a local business and appreciate the fact that they are so involved in the City’s community, supporting events like the carol service and fireworks... and in a funny way, seeing their hot air balloon over the City in the summer months reassures me that they are a strong organisation and our account is in safe hands!”

Guy Douglas, Owner, The Silver Shop in Bath

Chairman's Statement

For the year ended 31 December 2017

In 2017 the Society succeeded in growing its total assets base, as well as the size and strength of its mortgage book and has seen its reserves rise once again to record levels.

Key performance indicators:

Society reserves up by 11.9% to

£33m (2016: £29.5m);

Gross mortgage lending of £47.6m (2016: £43.6m) which increased the Society's mortgage book by 4.9% to a record level of

£242.5m (2016: £231.2m);

Liquid assets ratio of 23.6% of shares and borrowings (2016:23.7%);

Society profit on ordinary activities before taxation reported at

£4.2m (2016: £3.4m);

Total Assets of the Society increased by 4.4% to

£311.7m (2016: £298.6m);

Cases with arrears of more than 2 months

13 (2016: 16);

Customer satisfaction: 95% of customers surveyed would recommend the Society to family and friends (2016: 96%).

The Society's achievement is set in the context of an increasingly challenging, competitive and economic environment. Once again, throughout 2017, Brexit remained a huge source of uncertainty to all businesses. We are now more than half way through the period between the EU referendum and the point at which we will be required to leave the European Union and there remain many strands of the negotiations that, publicly at least, appear to have been barely started. Only at the start of 2018 has the negotiation moved onto the future trading relationship between Britain and Europe, and it is likely that a large measure of uncertainty will remain until very late in the process or even beyond the point at which we formally leave the EU.

As the Society transacts in Sterling and only operates in the territory of the UK, the direct impact of Brexit on the Society should be small. If however, Brexit was to reduce confidence in the housing and savings markets, the secondary impact on our customers could be more significant. The Society continues to monitor consumer sentiment carefully as we would naturally expect this to be a good indicator of future trends in the mortgage market.

If anything, the economy has fared better than many imagined following the Leave vote in June 2016. The Bank of England's August 2016 decision to make a precautionary cut in interest rates following the referendum was reversed in November 2017 and many have conjectured whether this is the first data point in a series of rises to come. The Bank of England has indeed signalled that there are likely to be further rises, but this tempered by a view that such increases are likely to be slowly fed into the UK economy as a fine line

is to be steered between controlling inflation, which ended 2017 at a high of 3.1%, and not choking off growth to the economy.

I was particularly pleased that the Society was in a position to pass on the rate rise to its savings customers at the end of 2017 as we are very mindful of the burden of low interest rates that has had to be borne by savers in recent years. Equally we are aware that increases in rates will, in time, bring concerns for some mortgage customers and we will want to make sure that we continue to balance the interests of borrowers and savers.

The UK housing market was the subject of a major government White Paper in the spring of 2017 in which it was described by its authors as "broken". One of the most concerning findings, well known within our industry, was the inaccessibility of home ownership to many younger people and over recent years the Society has been particularly active in exploring ways in which we can help people get onto the property ladder. The Society continues to innovate in this area and over the course of 2017 has extended its level of business with first time buyers in a variety of different products.

This government appears to be giving housing, and particularly the challenge of building more properties, more attention than previous administrations, and this is welcomed by Building Societies of all sizes. However, it remains to be seen whether, and at what speed, decades of government underinvestment in housing can be corrected. Until such time as this can be addressed, perhaps taking a generation or more, it is likely that demand will exceed supply, keeping prices high, particularly for those in Southern England.



“After spending my first year at Norland College in student accommodation with six other nannies-in-training, I decided to use some money I had inherited to apply for a Buy for Uni mortgage. I was lucky enough to be guided through the whole process by the Society’s mortgage team, who were so helpful and answered all the questions I (and my parents/guarantors!) had about the mortgage application. As well as getting my foot on the first rung of the housing ladder, this also gave me the opportunity to live more comfortably with my friends for our remaining time training at Norland. Thank you, Bath Building Society!”

Ella Mack, Buy for Uni Mortgage Customer

Improving the Society's Resilience

In 2017, the Society embarked on a major programme to replace parts of its IT systems. Even though the core systems running our mortgage and savings databases were largely unaffected, the task has consumed a good deal of management effort and Board attention in the last year. The main objective of the work undertaken in 2017 has been to improve the robustness and resilience of the Society's IT infrastructure, in the event of a cyber-attack and other types of business continuity disruption. By the end of 2017 a crucial stage in the work had been completed and more effort is planned for 2018 to further enhance the performance of the Society's IT systems. Over future years, continuing investment will be made to the Society's systems to ensure that we can respond to new threats and opportunities.

Disposal of the Society's Letting Business

For a number of years, the Society has been considering the strategic role of its letting subsidiary business, Bath Property Letting Limited. It has in the past been a useful, if not major, contributor to the Group's profit but in recent years we have been aware that we would be able to be more effective in our core markets of mortgages and savings without the distraction of running a property letting agency. We also recognised that our letting agency would be more likely to thrive and prosper under the direction of specialist letting agency management. Accordingly, in 2017 we decided that it was time to dispose of the business and we sold Bath Property Letting Limited to Leaders Romans Group, a fast growing and acquisitive business based in the South East looking to expand

its geographic reach. The business was sold in November 2017 and most of the staff transferred to the new business based in the premises the Society has long occupied at Southgate in Bath.

The Society's Board

At the end of 2017, we bade farewell to Ann Berresford who has served on our Board for almost 10 years. We will greatly miss her contribution, but are pleased to announce that her place on the Board will be taken by economist Fionnuala Earley, who has a wealth of experience in housing and the Building Society sector. I am also pleased to welcome Tonia Lovell, the Society's Chief Risk Officer and Secretary to the Board as an Executive Director. Tonia took up this position in May 2017.

Having completed 18 months in the position of Chairman of the Building Societies' Association, our Chief Executive, Dick Jenkins, stood down from that role in May 2017. Dick will also be retiring as Chief Executive of the Society at the AGM in April 2018 after 14 successful years. I would like to pay tribute to his great dedication to, and sound stewardship of, the Society over that time. He will be replaced as Chief Executive by Kevin Gray.

Finally, I would like to acknowledge the support that the Society has enjoyed from its staff, suppliers and, most importantly, its Members.

Robert Derry-Evans

Chairman
9 March 2018



“As a Mortgage Broker the personal service offered by Bath Building Society is greatly valued. The mortgage team give me every support and they look at the individual circumstances of my clients to see if they can help. This means that not only do I get a high level of personal service, so do my clients.”

Nigel Denmeade, Mortgage Broker, John Charcol



“Buying my house was a really stressful time for me. If it wasn’t for the Rent-a-Room mortgage offered by the Society I would not have been able to do it on my own. It was made easier by the clear advice that I was given by Tim and the rest of the staff there. I really appreciated the time that everyone took to clearly explain the process to me. The service felt genuine and personal. I’m really happy with how it’s all turned out and I feel super lucky to own my house. I was a bit nervous about getting a lodger, however she has become a great friend – so life is good! Thanks Bath Building Society!”

Claire Woodhouse, Rent-a-Room Mortgage Customer

Chief Executive's Report

For the year ended 31 December 2017

Mortgages

The Society achieved growth in its mortgage book of some 4.9% which was very much in line with the Society's expectation at the beginning of the year.

The country's largest 6 lenders have a combined market share of over 75% leaving over 150 lenders, including Bath Building Society, to compete for the remaining 25% or so of the market. Recent years have seen an increase in competition in the mortgage market as so-called "challenger banks" have been looking to take market share in key segments of the market, such as buy to let lending. The overall mortgage market has still a long way to go to recover to the levels reached immediately before the financial crisis of some 10 years ago. With increased competition and market volumes being relatively flat, margins have been under pressure in recent years as lenders have sought to protect market share through lower prices.

Our strategic response to market forces has been to continue to innovate in the market, to widen our distribution channels and to improve the proposition to existing customers.

The Society has developed a string of innovative products throughout the years which continue to meet the specialist needs of certain types of borrowers. The last 2 to 3 years has seen further growth in our "Buy for Uni" mortgage which allows students to become homeowners while studying for their degrees with parental assistance.

The "Rent-a-Room" mortgage allows those who can afford to get on the property ladder with the assistance of income from renting a room in their property and continues to be a popular product in our portfolio whilst house prices remain very high. High property prices have stimulated demand for the Society's mortgage products which extend up to 95% of the purchase price, again, another growth sector of our loan portfolio. The Society is also developing further its involvement in "Shared Ownership" mortgages in conjunction with housing associations where a combination of subsidised rent and mortgage payments can provide a route to home ownership for borrowers with more modest incomes. There can be few lenders with a wider range of products designed to assist first time buyers into the market.

At the other end of the age spectrum the Society is well known for not having an age limit for older borrowers and has launched a mortgage specifically designed for retired borrowers with (pension and/or other) income sufficient to meet mortgage payments. The Society's analysis shows that there are many older borrowers who may wish to borrow funds for a range of purposes (for instance, assisting grandchildren onto the property ladder, making home improvements, perhaps the holiday of a lifetime) whilst avoiding traditional equity release type loans. The Society's "Retirement Mortgage" seeks to meet this need whilst also diversifying its lending book.

The Society also continues to offer mortgages to those looking to build their own home.

To meet the strategic challenge of growing our mortgage book, the Society has strengthened its mortgage sales and marketing efforts to ensure that it is both familiar to and well regarded by the mortgage broker community. Most mortgages in the UK are sold by brokers and the Society has increasingly positioned itself as a broker-oriented lender. The Society is now able to accept applications online from brokers and will be further extending the reach of its online support to brokers in 2018.

In 2017 the Society improved its borrower retention processes. This helped to reduce the level of redemptions that the Society experienced in 2017 and the Society is committed to continue its current policy of offering its best products to existing customers.

The Society has continued to see a reduction in the number of arrears cases through 2017. At the start of the year, 16 mortgages had arrears in excess of 2 months' payments. By the end of the year this had fallen to 13 cases. As at the end of 2017, the Society had 1 property in possession (2016: 0).

Savings and Funding

The Society is watching the early days of "Open Banking" launched at the start of 2018 in the UK with interest. The Competition and Markets Authority hope that Open Banking will lead to new products and services for bank customers and facilitate switching between banks. In Open Banking confidential and sensitive

data currently held by the largest banks will be accessible to third parties, only with customers' permission, and can be used to provide new facilities for customers.

Unlike many financial institutions the Society passed on the rate rise announced in November 2017 at the earliest opportunity to its savers.

The Society is not required at this stage to make its customers' information more widely available and has no plans to do so.

Throughout 2017 the Society has continued to strike a balance between offering competitive market rates to savers whilst seeking to ensure that the Society's level of liquid funding remains relatively efficient. Unlike many financial institutions the Society passed on the rate rise announced in November 2017 at the earliest opportunity to its savers.

The Society continues to place value in having a wide range of funding sources and business channels should the need arise to raise funds quickly. For many years the Society has resisted the temptation to rely on wholesale funding from other financial institutions and at the end of 2017 was fully retail funded.

Given the very low rates (down to 0%, in some cases) offered to the Society by the



“Banking with Bath Building Society has been a huge benefit to the day to day running of my business. The city centre branch is so handy for making regular deposits and the friendly staff are always a pleasure to see. I love the account passbook that is updated with each transaction, making it so easy to keep an eye on our funds.”

Rosie Paradise, Owner, La Rose Parfaite in Bath



“The Society provides us with an exceptionally good quality of service. We receive efficient, professional, helpful assistance from all of your staff and we feel “valued” as Members. Written communications from the Society (such as annual statements or letters) are clear, timely and accurate. We would like to say “thank you” to all members of staff for the friendly welcome and excellent service which they have provided to us.”

Mr & Mrs Arnold, Branch Customers

large clearing banks the Society's Board decided to move the vast majority of its liquid funds from clearing bank call accounts to the Bank of England Reserve Account where the funds can be very quickly deployed if necessary with a negligible credit risk.

The Society plans to upgrade its existing online savings system, in such a way that will allow access to balances and transactional capability on tablets and mobile devices.

Property Letting

Bath Building Society sold its subsidiary business, Bath Property Letting Limited to Leaders Romans Group on 21 November 2017 creating a one-off positive contribution to the Society's 2017 stated pre-tax profit figure. The Society is no longer involved in property letting although it remains active in providing mortgage finance to landlords.

Community Involvement

The Society continues to work with a range of local charities.

The Society once again donated £6,500 to a diverse range of charities through its Charity Awards Scheme that offers small but meaningful sums to local charities and community groups working in and around Bath. Amongst charities supported were The Bath Child Contact Centre, Threeways School, Bath Gateway Out & About and the Woodworks Project, all based in the City.

In the first half of the year the Society's charity of the year was the Bath Samaritans, offering much-needed distress counselling services. From the middle of the year Focus Counselling became our charity of the year for 2017–18.

For the 42nd consecutive year, the Society also sponsored the annual Fireworks on the Rec organised by The Rotary Club of Bath and the children's Firework Safety Poster Competition. The Society's partnership with the Rotary Club also extended to sponsorship of the Motor Festival at Lansdown and the annual carol service at Bath Abbey. All of these fundraising events further the Society's ambition to help the local community and make a contribution at grass roots level. As a result of the Fireworks on the Rec and the carol service, the Society has been able to present a cheque to Focus Counselling for over £6,700.

The Society is keen to continue with its work in the Community and is investigating the mechanics of creating a charitable foundation which could provide a more sustainable way of offering support to local charities.

As I come to the end of my time as the Society's Chief Executive, I am reflecting on the very many changes the Society has undergone in the last 14 years, through an unprecedented period of turbulence in the financial markets. I believe the Society has emerged from this turbulence stronger and better equipped to deal with the future by continuing to keep the needs of Members foremost and staying true to the values that have been the mainstay of this business throughout its long history. Much has changed over the years, but our heart remains with the Members and the community of Bath which we serve.

It has been a pleasure and a privilege to serve the Members of this Society and I wish the Society the very best for the future.

Dick Jenkins

Chief Executive
9 March 2018

Our Charity of the Year

Focus Counselling was founded in 1999 to provide a professional counselling agency for the City of Bath and beyond.

We now see over 100 clients a week at our Headquarters in Broad Street in Bath and in seven schools in the area.

The counselling we provide is called person centred therapy which gives our clients unconditional acceptance, empathy, no judgement and genuineness within the counselling relationship.

We have seen a rise for the need for counselling in the last few years particularly in the areas of anxiety for young people and depression for adults. Focus sees clients who present with numerous and complex challenges in their lives. We work with people who have been abused, bereaved, bullied, divorced and we see clients who are severely depressed, with low self esteem, long term illness, eating disorders, and many other issues.

As a charity we provide financial support for 80% of our clients who would not normally be able to access counselling. The support we are receiving from Bath Building Society this year is all going towards subsidising our clients.

We have referrals from the NHS, GPs, Schools, Universities, The Job Centre, Victim Support, Housing Associations, Julian House, Women's Refuge, Drug and Alcohol charities and many of our clients self refer through word of mouth.

We see our clients weekly and also run an Eating Disorder support group and an Anxiety Group for teenagers.

At the centre of everything we do are our clients and it continues to be a privilege to see so many come through such difficult times and become their true selves and are empowered to lead the lives they deserve.

For more information please contact Focus Counselling on 01225 330096, email us at office@focusbath.com or visit our website www.focusbath.com





“I really enjoy visiting both Bath Branches as all the staff are very friendly and helpful, they always greet me by name so it’s a much more personal service than the bank where you just feel like an account number. I’ve been a customer of the Society for over 25 years and would highly recommend them to anyone.”

Samantha Rowlands, Branch Customer

Report of the Directors on Remuneration

For the year ended 31 December 2017

Unaudited information

The following Report of the Directors on Remuneration will be put to an advisory vote of the Members at the forthcoming Annual General Meeting.

The Board has due regard to the principles outlined in the UK Corporate Governance Code relating to the setting of remuneration.

Level and components of remuneration

The Society's remuneration policy is to reward directors through salary according to their expertise, experience and contribution. The Society also carries out benchmarking against other comparable organisations.

Executive Directors' emoluments

The remuneration arrangement for Executive Directors consists of basic salary, annual bonus, pension and other benefits. The Executive Directors do not hold outside directorships that provide an income for the benefit of themselves.

The Remuneration Committee designs the Executive Directors' bonus scheme to align the interests of Executive Directors with the interests of Members and provide incentives that recognise corporate and personal performance. If a range of challenging personal and operational targets is achieved, Dick Jenkins, Kevin Gray and Tonia Lovell can achieve a bonus of 10% of basic salary. The Committee has the discretion to reward the Executive Directors an additional bonus element equivalent to a maximum of 5% of basic salary if exceptional performance is deemed to be delivered.

The Executive Directors benefit from a pension scheme whereby the Society contributes 12% of basic salary per annum to a money purchase scheme. In lieu of his entitlement to pension contributions, Dick Jenkins has opted to receive a cash equivalent sum at no extra gross cost to the Society. The Society operates no final salary pension arrangements.

Dick Jenkins and Kevin Gray receive the benefit of a company car. Tonia Lovell receives the benefit of a car allowance. Kevin Gray and Tonia Lovell receive the benefit of paid professional subscriptions. The aggregate amount of these benefits is included in Table 1.

Executive Directors' contractual terms

Each Executive Director has a service contract with the Society, terminable by either party giving 6 months' notice.

Non-Executive Directors

The level of fees payable to Non-Executive Directors is assessed by the Remuneration Committee using information from comparable organisations. These fees are not pensionable. Non-Executive Directors do not participate in any bonus schemes and they do not receive any other benefits. Details of Non-Executive Directors' emoluments are set out in Table 2.

The terms of appointment letter for each Non-Executive Director specifies that either party giving one months' notice may terminate the agreement.

Procedure for determining remuneration

Robert Derry-Evans, Ann Berresford, and Angela Cha constituted the Remuneration Committee. The committee is responsible for setting Executive Director remuneration and Non-Executive Director fees. After a review of the responsibilities and work load of Non-Executive Directors, the Committee approved a 3% rise in fees for 2018.

The Remuneration Committee normally reviews Executive Directors' basic salaries on an annual basis, by reference to jobs carrying similar responsibilities in comparable organisations and local market conditions generally.

Audited information

Table 1: Executive Directors' Emoluments

2017	Basic salary	Salary in lieu of pension contribution	Annual bonus	Benefits	Pension contributions	Total 2017
	£	£	£	£	£	£
Dick Jenkins	149,583	15,773	12,715	9,098	-	187,169
Kevin Gray	121,875	-	10,359	11,207	14,625	158,066
Tonia Lovell (appointed 1 May 2017)	50,000	-	7,227	4,309	6,000	67,536
Totals 2017	321,458	15,773	30,301	24,614	20,625	412,771

2016	Basic salary	Salary in lieu of pension contribution	Annual bonus	Benefits	Pension contributions	Total 2016
	£	£	£	£	£	£
Dick Jenkins	144,375	15,224	13,050	8,304	-	180,953
Kevin Gray	114,417	-	8,625	9,812	13,730	146,584
Totals 2016	258,792	15,224	21,675	18,116	13,730	327,537

Table 2: Non-Executive Directors' Emoluments (comprising fees only)

	2017 £	2016 £
Robert Derry-Evans (Society Chairman)	33,337	32,366
Chris Smyth (Society Vice-Chairman)	23,812	22,119
Ann Berresford (retired 31 December 2017)	23,812	22,119
Angela Cha	23,812	23,119
Denzil Stirk	23,812	22,119
David Smith	23,812	23,119
TOTALS	152,397	147,961

On behalf of the Remuneration Committee

Robert Derry-Evans

Chairman

9 March 2018

Summary Financial Statement

This Financial Statement is a summary of information in the audited Annual Accounts, the Directors' Report and the Annual Business Statement, all of which will be available to Members and depositors free of charge on demand at every office of Bath Building Society from 3 April 2018.

Summary Directors' Report

The information required to be presented within the summary Directors' Report is given in the Chief Executive's Review on pages 9 to 13.

Summary Income Statement

Results for the year ended 31 December 2017

	2017	2016
	£000	£000
Net interest receivable	7,506	7,507
Other income and charges	654	(264)
Administrative expenses	(4,241)	(3,770)
Operating profit before provisions	3,919	3,473
Impairment release/(loss) on loans and advances to customers	162	(17)
Provision for other liabilities and charges	(7)	(58)
Profit/(loss) on sale of subsidiary	161	-
Operating profit and profit on ordinary activities before tax	4,235	3,398
Tax on profit on ordinary activities	(702)	(673)
Profit for the year	<u>3,533</u>	<u>2,725</u>

Summary Balance Sheet

Financial position as at 31 December 2017

	2017	2016
	£000	£000
Assets		
Liquid assets	65,481	63,326
Mortgages	242,475	231,243
Fixed and other assets	3,753	4,029
Total assets	<u>311,709</u>	<u>298,598</u>
Liabilities		
Shares	214,583	203,675
Borrowings	62,883	63,978
Other liabilities	1,202	1,437
General reserve	32,693	29,160
Revaluation reserve	348	348
Total liabilities	<u>311,709</u>	<u>298,598</u>

Key financial ratios

	2017 %	2016 %
Gross capital as a percentage of shares and borrowings	11.9	11.0
Liquid assets as a percentage of shares and borrowings	23.6	23.7
Profit for the year as a percentage of mean total assets	1.16	0.92
Management expenses as a percentage of mean total assets	1.39	1.28

Approved by the Board of Directors on 9 March 2018 and signed on its behalf by:

Robert Derry-Evans, Chairman

Dick Jenkins, Chief Executive

Kevin Gray, Deputy Chief Executive

Notes to the Summary

Financial Statement

1. The Summary Financial Statement is prepared on a Society only basis.
2. The gross capital ratio measures the Society's capital as a proportion of its shares and borrowings. The Society's gross capital comprises reserves, including revaluation reserve, which have been accumulated over many years and provides a relative indicator of the Society's financial stability.
3. The liquid assets ratio represents the total of cash, debt securities and short-term deposits held by the Society, as a proportion of the Society's shares and borrowings. Cash, debt securities and investments are held by the Society for prudential purposes in order to meet investor withdrawals from their accounts, make mortgage advances to borrowers and to fund general business activities.
4. Profit for the year as a percentage of mean total assets represents the Society's profit for the year (after tax) as a proportion of the average total assets at the end of the year.
5. 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 and excludes the levy to the Financial Services Compensation Scheme.
6. Bath Building Society Society was required to prepare its Financial Statements for the year ended 31 December 2017 in accordance with Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council.

Independent auditor's statement to the Members and depositors of Bath Investment & Building Society

We have examined the summary financial statement for the year ended 31st December 2017 which comprises the summary Income Statement and Balance Sheet together with the summary Directors' Report included within the Chief Executive's Review.

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

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Members' 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 Member's Review with the Financial Statements, 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.

We also read the other information contained in the Members' Review as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the Society's full financial statements describes the basis of our audit opinions on those financial statements.

Opinion on summary financial statement

In our opinion the summary financial statement is consistent with the full financial statements, the Annual Business Statement and Directors' Report of Bath Investment & Building Society for the year ended 31st December 2017 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

Deloitte LLP

Statutory Auditor
Bristol, United Kingdom
9 March 2018



“I enjoy working with Bath Building Society as they can make flexible underwriting decisions that the larger banks are unable to make. The fact that they are local means that my client can get to know the team behind the lending decision too which can give some customers the comfort they need.”

Wes Davidson, Mortgage Broker, Fox Davidson

Notice of Annual General Meeting

The 114th Annual General Meeting (AGM) of the Members of Bath Investment & Building Society will be held on Thursday 26 April 2018, in The Kingsmead Room at The Apex City of Bath Hotel at 12 noon for the following purposes:

1. To receive the Directors' Report, Annual Accounts and Annual Business Statement For the year ended 31 December 2017.
2. To consider an Ordinary Resolution to re-appoint Deloitte LLP as Auditor of the Society, to hold office until the conclusion of the next AGM, at which accounts are laid before the Society and their remuneration be fixed by the Directors.
3. To consider an Ordinary Resolution to approve the Directors' Remuneration Report.
4. To elect Fionnuala Earley.
5. To elect Tonia Lovell.
6. To re-elect Robert Derry-Evans.
7. To re-elect Kevin Gray.
8. To re-elect David Smith.
9. To transact any other business permitted by the Rules of the Society.

By Order of the Board

Tonia Lovell, Society Secretary

9 March 2018

Notes

These notes form part of the Notice of the Meeting.

1. Under the Society Rules, a Member entitled to attend the meeting and vote may appoint one proxy to attend and vote on his or her behalf. You may appoint the Chairman of the meeting or anyone else as your proxy. Your proxy may vote for you at the meeting but only on a poll. Your proxy, if other than the Chairman, may not speak at the meeting except in demanding a poll. You may instruct your proxy how to vote at the meeting. Please read the instructions on the proxy form. The voting date is the date of the meeting; Thursday 26 April 2018, if voting in person, and Thursday 19 April 2018 if voting by proxy. In order to attend and vote at the meeting, or appoint a proxy, you must qualify to vote.
2. To qualify as a voting shareholding Member, you must be an individual of at least 18 years of age on the voting date; have held shares in the Society to the value of at least £100 at 31 December 2017 and continue to hold shares at the voting date; and be the first named on the account in our records.
3. To qualify as a voting borrowing Member you must be an individual of at least 18 years of age on the voting date; have held a mortgage in the Society to the value of at least £100 at 31 December 2017 and hold a mortgage at the voting date; and be the first named on the account in our records.
4. You can only vote once as a Member, irrespective of the number of accounts you hold, whether you hold accounts in the different capacities and whether you qualify to vote as both a shareholding and borrowing Member.
5. Item 3 in the Notice of Meeting relates to a Resolution for Members to vote on the Directors' Remuneration Report for 2017. As a Building Society we are not obliged to ask Members to vote on this but in accordance with best practice we are asking for an advisory vote and the Board will consider the result and decide what action, if any, will be appropriate.
6. Items 4 to 8 in the Notice of the Meeting relate to Resolutions for election and re-election of Directors.
7. Members attending the meeting must bring evidence of their membership (a current passbook or mortgage statement) in order to obtain admission.
8. If you appoint a proxy, other than the Chairman, to vote on your behalf at the meeting, they must attend the meeting and bring a form of identification, for your vote to count.



Director Profiles

These are the profiles of the Directors to be elected and re-elected to the Board.



To be elected

Fionnuala Earley

Fionnuala was co-opted to the Board in January 2018 and sits on the Audit and Remuneration committees. Fionnuala is an economist and has spent most of her career as a specialist in housing market economics. She trained as a government economist and has experience of the housing market industry from many perspectives.

She has worked as an independent consultant for the UK government and has also worked overseas in Brussels as Head of Research and Statistics for the European Mortgage Federation. She also worked for the Regulator during the Mortgage Market Review.

Fionnuala has held senior economist posts in both the mutual and non-mutual mortgage lending sectors. She is currently Chief Economist at Countrywide plc.

In her spare time Fionnuala is a keen swimmer and also enjoys walking the south west coastal path with her partner and dog.



To be elected

Tonia Lovell

Tonia is a Chartered Secretary and joined the Society in May 2008 as Head of Compliance and Society Secretary, she is also the relationship manager for the outsourced Internal Audit function. During the last nine years Tonia's role has developed and grown, and in 2011 she became a member of the Senior Management Team, with responsibility for Compliance, Audit, Facilities and Risk Management functions. In 2015 she was appointed as the Society's Chief Risk Officer and in May 2017 she was appointed as Director of Risk Management & Society Secretary and an Executive Board Member. Tonia manages the risk governance arrangements for the Society and chairs the IT & Business Resilience Management Committee.

Tonia has lived in the Bath area all her life, she is married and has two grown up daughters and two grandchildren that keep her very busy!



To be re-elected

Robert Derry-Evans

Robert joined the Board in June 2014 and became Chairman in January 2015. He is Chairman of the Nominations Committee and also sits on the Risk and Remuneration Committees.

Robert is a solicitor and was a partner for 23 years at the City of London firm CMS Cameron McKenna specialising in Corporate Finance and Project Finance. He was Managing Partner of his firm for seven years and subsequently headed the CMS alliance of European law firms based in Brussels and then Frankfurt. He is now a director and shareholder of Omnia Legal, a solicitors practice in Bath and is a trustee of the Bath Philharmonia. Until December 2017 he was, for nine years, a trustee of Cobalt Health, a medical imaging charity in Cheltenham.

Robert lives in Bath and is married with three adult daughters.



To be re-elected

Kevin Gray

Kevin joined the Society in 1998. He was appointed to the Board of Directors in 2002 and was appointed Deputy Chief Executive in 2006. A qualified Chartered Accountant, Kevin is the Society's Finance Director, with responsibility for the Group's accounting, liquidity management and treasury functions. He also oversees the Society's Information Technology and Management Information requirements. Kevin is due to step up to the role of Chief Executive from 26th April 2018 after the retirement of Dick Jenkins.

Kevin is a passionate advocate of Members' rights and mutuality.



To be re-elected

David Smith

David was first appointed to the Board as a Non-Executive Director in January 2016. He is currently Chair of the Audit Committee (requiring regular reporting to the Risk Committee) and a member of the Nomination Committee. He was a member of the Risk Committee for 2016 and 2017. David was a financial services partner with KPMG in London from 1995 to 2006, having joined the firm in 1983. He was then Head of Group Audit at Man Group plc; the listed alternative asset manager, for six years. He is currently an Independent Member of the Audit Committee at The Health Foundation, a national health care charity based in London. He is a Chartered Accountant.



I'm Anna, a professional portrait photographer currently based in Bath and I took the photos in the Society's Members' Review this year. I have had the great pleasure of living in Asia and building a successful portrait business in Hong Kong and winning several awards in Hong Kong and the UK over the years. I have recently moved to Bath and am excited about getting involved and working with the people of Bath. So, if you like the photos then get in touch on [07445 575000](tel:07445575000) or anna@annabowkisphotography.com or you can go to my website www.annabowkisphotography.com

We're different
because you are

Head Office:

15 Queen Square,
Bath BA1 2HN.

Investment enquiries:

Telephone:

01225 423271

Fax:

01225 446914

Email:

investments@bibs.co.uk

Mortgage enquiries:

Telephone:

01225 475719

Fax:

01225 424590

Email:

mortgages@bibs.co.uk

Web:

www.bathbuildingsociety.co.uk

Telephone calls may be recorded to help the Society to maintain high standards of service delivery.

Bath Investment & Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, Registration Number 206026.



We're different because you are