



Members' Review 2023



Bath Building Society
We're different because you are



Ben Hutchings

Head of Intermediary Mortgage Sales

"I have been working in the Mortgage Department for nearly 20 years. My main responsibility is to make sure we meet the Society's lending targets with the right quality of business. I manage a small, hardworking team of Intermediary Relationship Managers and Mortgage Consultants, and we deliver the best possible service to our Mortgage Brokers. The role is very busy, and it can take me to different parts of the country from London to Livingston."

Key Highlights of the 2023 Financial Year



Profit on ordinary activities before tax increased by 2.8% to:

↑£3.3m

(2022: £3.2m)



Society reserves increased by 5.6% to:

↑£47.1m

(2022: £44.5m)



Gross mortgage lending of £53.3m:

↑10.9%

(2022: £48.1m)



Net Promoter Score remained high at:

74.3

But had dropped back slightly over the year (2022: 78.3)



Total assets of the Society increased to:

↑£370.9m

2.4% higher than 2022 (£362.1m)



Savings book increased by 3.1% to:

↑£317.7m

(2022: £308.3m)



Liquid assets ratio reduced to:

↓25.6%

(2022: 27.7%)



Arrears cases reduced to:

↓7

(2022: 8 cases)



Chair's Report

Joanne Evans
Chair of the Board

The United Kingdom (UK) economy faced continuing pressure from rising inflation over 2023 and this forced the Bank of England (BoE) to respond by increasing the BoE base rate on five separate occasions. Higher interest rates slowed business growth and led to a flattening of property values. Although UK savers continued to benefit from higher market interest rates, the ability to grow their savings was restricted by continuing pressure on household budgets due to cost of living pressures. Higher interest rates also reduced mortgage affordability, particularly for first-time buyers. Against a generally deteriorating economic environment, Bath Investment & Building Society (“the Society”) delivered a strong set of financial results and advanced its strategic programme of investment in the transformation of its systems infrastructure.

The United Kingdom economy faced continuing pressure from rising inflation over 2023

Good as the Society’s 2023 results are, financial success is not the main goal of the Society. As a mutual organisation, the Society is driven by a higher social purpose. It is in business

The Society celebrates its 120th anniversary in 2024

to improve the lives of its Members by promoting saving as a means of building their financial resilience and by offering loans to enable them to become home owners. The Society has adopted a purpose-led strategy that balances its financial aspirations with its other equally important priorities. These include growing its membership and improving customer service, improving the productivity of the business, demonstrating its ethical credentials and becoming an employer of choice. As the Society celebrates its 120th anniversary in 2024, I am proud that it is still leveraging the power of collective ownership for the mutual benefit of all its Members and it continues to put the interests of its Members at the heart of its decision making.

The money markets have assumed that the UK has passed the peak in the interest rate cycle and as a result the interest rates on fixed rate bonds and mortgages have reduced from their peak. This has been driven by some welcome evidence that inflation is coming back

under control. When the BoE base rate begins to reduce it is inevitable that the Society will have to respond by cutting rates on its own savings and loan products. However, due to the rapid rise in rates over the last two years, there may still be significant ongoing pain for some borrowers whose mortgages are repricing in 2024 from a low historic base.

2024 will be a year of more significant transition

As ever, the Society will balance the needs of its savers and borrowers in establishing the appropriateness of its future rates. The Society is expecting the market for new savings to be more competitive in 2024 and it anticipates that it will have to raise more funding from retail bonds. A combination of increasing pressure on the Society's interest rate margin and increasing investment costs are likely to result in reduced profitability for the Society over the next few years, starting in 2024. The Society's balance sheet will remain strong and the anticipated lower profitability is affordable whilst significant investment is being made in technology, systems and people.

Although there were no changes to the Society's Board of Directors over 2023, 2024 will be a year of more significant

I would like to thank the Members, mortgage intermediaries and suppliers for their continuing support

transition. Angela Cha will stand down from the Board at the forthcoming Annual General Meeting. I would like to thank Angela for her significant contribution as a Non-Executive Director over the last nine years. As part of Board succession, Andrew Payton joined the Board as a Non-Executive Director on 1 January 2024. The Society wishes Angela every success for her future, and welcomes Andrew.

After more than 21 years as an Executive Director, with the last six as Chief Executive, Kevin Gray retired from the Board on 7 March 2024. On behalf of the Board, I want to take this opportunity to thank Kevin for his huge contribution to the Society's success over the last two decades and we wish him every success with his future. Subject to regulatory

approval, Richard Ingle will assume the duties of Chief Executive from 8 March 2024. The recruitment to replace Richard's vacated role of Chief Financial Officer and Board Member has started.

I would like to thank the Members, mortgage intermediaries and suppliers for their continuing support over 2023. Furthermore, I would like to acknowledge the hard work and professionalism of the Society's colleagues who continue to deliver success. They are a credit to the Society and to themselves.

Joanne Evans

Chair of the Board

7 March 2024



Chief Executive's Review

Kevin Gray
Chief Executive

Over 2023, the Society delivered a strong set of financial results and made significant progress with its key strategic projects.

Mortgage lending

The size of the UK mortgage market contracted over 2023 as borrowers found it more difficult to raise sufficient funds for their property purchases. Loan affordability was negatively impacted by a combination of increased market interest rates and inflation in household budgets. In response to increases in the BoE base rate, the Society increased its own Standard Variable Rate (SVR) on five separate occasions over 2023. As the number of purchasers reduced, property values came under pressure and actually fell in many parts of the UK.

Despite the difficult economic conditions, the Society processed a record level of mortgage applications in 2023 from which it advanced £53.3m (2022: £48.1m) of new loans. This is the second highest level of annual lending that the Society has ever achieved.

A combination of three main factors helped the Society to deliver this increased volume of mortgage business.

Firstly, the Society operated with nearly a full complement of people in its mortgage teams over the course of the year. Secondly, the Society maintained its relative pricing competitiveness by being more agile in its response to the rapid changes in mortgage pricing in the marketplace. Thirdly, it implemented improved internal processes and communication to brokers and new Members which reduced the time between applications received to issuing a mortgage offer and also speeded up completions.

The Society processed a record level of mortgage applications in 2023

In 2023 the Society introduced a more rigorous process for managing the retention of current mortgage customers whose loans were approaching the end of their initial product terms. This resulted in reduced levels of redemptions. A combination of this improved retention, higher gross lending and favourable fair value assessments of the Society's fixed rate loans and associated interest rate swaps resulted in net mortgage book growth of 6.33% (2022: -1.80%) for the year.

Approximately two thirds of the Society's new lending in 2023 was to customers who were buying or building their own homes. The remaining third was to residential and commercial customers who were buying investment properties.

By increasing up-front checks on affordability and asset quality, and implementing improvements to its processes, the Society successfully managed to reduce the average time taken for it to process mortgage applications through to the offer stage. Reduced processing times help the Society to improve the service that it offers to its borrowers and to grow its future lending more productively.

In common with most other building societies, the Society has signed up to the UK Government's Mortgage Charter which was launched in 2023 and is aimed at supporting borrowers in difficulty. Over the course of the year, the Society received 14 enquiries about possible support and granted concessions to 13 borrowers.

The Society continues to take a sympathetic approach that still recognises the need to protect financial interests of all the Society's Members. The number of cases being three or more months in arrears or otherwise in

default, reduced to seven (2022: eight). The number of cases requiring individual impairment charges increased to two (2022: one). The Society had no cases in possession at the end of 2023 (2022: none).

Savings growth

The cost-of-living crisis has forced many UK households to dip into their savings to support their living costs. Therefore, the market for new savings became very competitive in 2023. This led to a reduction in the Society's inflow of new funding. Despite positive net funding in the first half of the year, net funding reduced in the second half to end the full year broadly in line with the prior year. However, after the year-end capitalisation of interest onto savings accounts had taken place, the balance sheet figure for shares and deposits increased by £9.4m (2022: -£8.3m) or 3.1% (2022: -2.6%). The main reason for the savings and deposits outflows in 2022 was the closure of the last of the Society's five agencies, that had relatively low utilisation by Members.

Profit Before Tax

In a rising interest rate market, such as in 2023, the Society experienced



Saqlain Akhtar

Database and Application Support

"I am a member of our fantastic IT team, working as a Database and Application Support within the Society. Originally from the beautiful city Gujrat in Pakistan, I moved to the UK in 2021. After finishing my Master's in Software Engineering, I decided to join the Society in January 2023. During the year, I have contributed to the execution of daily, monthly, and annual IT processes. My responsibilities also include resolving IT-related issues in other departments on a daily basis. I am excited about my future with the Society."

The Society successfully launched its Mobile App in 2023

a widening of its margins as it immediately receives higher interest on its substantial pool of liquid and swap assets as soon as the BoE announces an increase in its base rate. This is normally a month ahead of when the Society is able to increase rates to its savers and borrowers. Furthermore, the Society has a larger pool of liquid and mortgage assets that gain from interest rate rises compared to its pool of funding liabilities that it has to pay higher interest on. Despite significant increases in administrative costs over 2023, and the fact that the Society balanced the value of its increases in interest rates to borrowers with its rate increases to savers, the Society delivered a healthy Profit Before Tax of £3.3m (2022: £3.2m).

Strategic projects

The Society tackled four major strategic projects in 2023. The first of these related to the Financial Conduct Authority's (FCA)

new Consumer Duty Regulations, this focused on the areas of products and services, price and value and ensuring customers and Members understand the products they have and receive appropriate support when needed. This multi-workstream project involved a considerable amount of effort from many colleagues working across different departments. I am happy to report that the project outcomes were successfully delivered before the deadline set by the FCA.

The Society also successfully launched its Mobile App in 2023. This was a significant achievement that puts the Society amongst only a very few within its sector that can offer this additional channel of communication to its Members. The Society also successfully launched a replacement portal that supports its mortgage intermediary business. This both offers greater functionality to its brokers and improves the way the Society processes mortgages.

In 2023, for contractual and operational reasons, the Society replaced its Bath Online system that supports its online savers. Although the new system did successfully go live at the end of September without issue for most users, there were

significant unforeseen problems with the launch that took several months to resolve. I offer a sincere apology to those Members who were negatively impacted by this. By the end of 2023, the Society had approximately 3,700 of its Members who had successfully enrolled to use the Mobile App and the new Bath Online system.

The Society had considerable success in 2023 with other commercial projects. These include the launch of the Bath Electronic Assistant (BEA), an AI chatbot that supports customer enquiries in out-of-hours periods, and the launch of a cash Lifetime ISA product which is targeted at the important 18-35 year old demographic.

The Society's membership rose sharply over 2023

Membership and customer service

I am delighted to report that the Society's Membership rose sharply over 2023 to end the year at a higher level than it was before it closed its agency operation in 2022. With over 1,300 accounts opened since its launch in

the year, the main contributor to the increase was the success of the new Lifetime ISA product.

The Society has an ambition to deliver the best possible service that it can to its Members and it measures certain outcomes to ascertain how it is doing against this aim. The Society monitors its handling of customer enquiries that are made over the telephone or via the Society's Live Chat function. It aims to answer customers' calls promptly and action is taken to improve matters when its internal service levels are not met. The Society also monitors customers' responses to its AGM and online surveys and sets challenging expectations with regards to average customer satisfaction and whether customers would promote the Society after their personal experience of doing business with us. Even with a temporary reduction in service levels as a result of the Bath Online issues, I am pleased to say that the Society is making good progress towards the aspiration of achieving excellent service.

In 2023, the Society refurbished its Oldfield Park Branch to provide a bright and modern space for its Members to transact and to offer improved working and break-out space for the Society's colleagues. It is the Society's



Ashley Kelly

Head of Treasury and Prudential Risk

"I joined Bath Building Society in May 2023 as the Head of Treasury and Prudential Risk. My team and I are responsible for managing capital and liquidity, ensuring it is used in an optimal way while complying with all relevant rules and regulations. I also support the strategic goals of the Society, including the creation of financial forecasts and offering advice on product decisions. This means my day-to-day is always really diverse, and I get to work with lots of different people from across the Society."

intention to similarly refurbish the Wood Street Branch in 2025. Investment in the Branch network demonstrates the Society's medium-term commitment to its retail Branches.

Social investment

Over 2023, the Society continued to support its local community through various initiatives including the provision of financial education in Bath state schools, support for local small charities and the sponsorship of the long running fireworks safety poster competition. 2023 was the first full year of the Society's sponsorship of Team Bath and opportunities from this relationship continue to develop.

All colleagues are given one day off a year to volunteer

In 2023 the Society launched a Colleague Volunteering Programme. All colleagues are given one day off a year to volunteer either as part of Society team activities or for a charity close to their heart. Team volunteering days included sessions with More

Trees Bath and North East Somerset (BANES), to start the planting of 1,200 saplings to improve local public spaces in Bath, to mark its 120th anniversary in 2024. Some of these saplings have been grown in the tree nursery in the garden at the Wood Street Branch. Colleagues also worked at the Bath Foodbank warehouse sorting food donations.

For 2024, Members and the Society's colleagues have jointly elected Mentoring Plus to be the Society's Charity of the Year. This important charity provides one-to-one mentoring and support for children and young people aged 7 to 25 years old in the BANES area who are facing tough challenges such as family breakdown, domestic violence or bereavement.

The Society's total contribution into the Bath community for 2023 has been measured at £1,123 per employee (2022: £740).

Investing in our people

As the Society's business has continued to grow so has the team of colleagues required to run it. In 2023 the Society recruited a dedicated HR Manager and has also



Total contribution to
the Bath community
in 2023

£1,123

per employee

developed a People Strategy that is aimed at supporting the Society's desire to become an employer of choice in the Bath area.

Having served 21 years as a Director of the Society, with the last six as Chief Executive, I decided last Autumn that the Spring of 2024 was the right time to retire from the Board and to move on to new opportunities. I have spent the best part of my working life at the Society, and I have grown to love it. It has been a privilege to lead an exceptional team of colleagues over the years and I will miss them. I wish my successor and the Society every success for the future.

Kevin Gray

Chief Executive

7 March 2024



Foteini Leventi

HR Manager

"My role within the Society is to develop the People Strategy and ensure that the Society follows best practice in all people related activities with the aim to become an employer of choice. I also get to oversee the whole colleague lifecycle, with a great focus on Learning and Development, Equality, Diversity and Inclusion and Colleague Wellbeing. It is a varied role, where I get to also roll my sleeves up and deal with the day-to-day administrative requirements as they come in from different departments."



Looking ahead

Richard Ingle

Chief Financial Officer & Chief Executive-elect

In recent years the Society has provided friendly and helpful service to Members and enjoyed financial success. As the Society plans for how it needs to evolve over the coming years it is clear that it needs to invest in the systems and people in order to secure a sustainable future. The Bath Future Architecture programme was initiated in early 2023, with a planned three-year time horizon, to enable it to improve the service it offers to Members and attract new Members. The investment will also support the ambition to grow steadily, so that in future years the Society's income can grow at least as quickly as its costs inevitably will.

The Bath Future Architecture programme includes major investment in both the Society's IT systems and its people, so that it can deliver on the customer service ambition. The new and improved systems that it has already delivered include a new Mobile App and enhanced Bath Online internet browser-based customer portal, both of which it will continue to incrementally improve. The Society is refurbishing both Branches as well as improving the digital service to Members. This is an ambitious programme of investment and at the same time the Society is investing heavily in developing its colleagues'

skills whilst making it an attractive place for its people to work and collaborate. To support this the Society will be upgrading the interior of its head office building on Queen Square in Bath, in 2024.

I will shortly be inviting Members to share their views on what more their Society can do to develop customer service, improve their financial resilience, be a supportive part of the local community it operates in and help its mortgage customers invest in improving the energy efficiency of their properties.

Richard Ingle

Chief Financial Officer
& Chief Executive-elect
7 March 2024

Our Charity of the Year

Bath Mind



Bath Mind was established in 1998 by a group of local people with lived experience of mental ill health. A local, independent charity, Bath Mind develop and deliver services according to the needs of our community in Bath and North East Somerset (BANES). With over 180,000 residents and a large student community, Bath Mind's services are broad and varied to meet individual needs. From crisis support to improving and maintaining wellbeing, Bath Mind are committed to improving mental health service provision and outcomes for people living in BANES.

Winner of Charity of the Year in Bath Life Awards 2021, Bath Mind is affiliated with the national charity Mind, but has its own governance and is financially independent. They rely on community fundraising from individuals and local businesses, such as Bath Building Society, alongside grant income to enable them to maintain their services.

Income generation is also supported by their comprehensive and bespoke mental health training programmes, which are delivered to professionals such as the Royal United Hospital in Bath, training 256 local NHS staff in 2022-2023. Training is also provided to local businesses looking to support the mental health and wellbeing of their staff.

Bath Mind's services are focussed around all areas which may affect our mental health and wellbeing, and include a crisis hub, befriending service, low cost counselling, 1:1 community support, welfare benefits and housing services. Alongside this, sit Bath Mind's wellbeing groups, based around the Five Ways to Wellbeing, supporting people to Connect, Learn, Take Notice, Get Active and Give through regular groups and courses including nutrition with Food for Thought, physical activity, creative groups and gardening and wellbeing walks at our Greenlinks allotments.

Tackling stigma around mental ill health is an important part of Bath Mind's work, encouraging conversations

around mental health and supporting the development of peer mentors who share their lived experience with others.

2023 saw Bath Mind celebrate their 25th anniversary, having grown to an organisation of over 200 dedicated colleagues and volunteers, all working to build compassionate, supportive, inclusive communities.

Services are informed and developed around specific local needs. Bath Mind is agile in its working, adapting to suit the changing needs of our communities. Their Befriending service established during Covid, grew to provide 79,370 minutes of befriending call support in 2022-2023. Established in the same year, their crisis service, Breathing Space, took 89,686 minutes of calls in 2022-2023 – a 32% increase on the previous year.

Outside of the numbers directly supported within services, Bath Mind saw 37,855 website users and had 7,458 people following them on social media in 2022-2023. Their online support includes a wide range of self-help resources, and individuals can also self-refer to their services.

CEO, Kate Morton, said “We are working in an environment where the

cost of living crisis impacts so many of our beneficiaries, and the many life challenges faced by people can exacerbate poor mental health.

We have continued to adapt services to ensure we can respond to those individuals experiencing the wider challenges of financial hardship, inadequate housing, job loss and isolation.

“Looking to the future, we know that there are challenging times ahead, not least with continued cost-of-living pressures and diminishing financial resources for third sector organisations like ours. Bath Mind will continue to work hard, to provide local people with high quality, much needed services, supporting the development of connected and resilient communities.”

Director of Business Development, Hannah Roper, said “Bath Mind are hugely grateful to Bath Building Society for supporting them as their Charity of the Year which is vital in enabling us to continue supporting so many people across our community.”

If you, or someone you know, needs support with their mental health or wellbeing, visit Bath Mind’s website for support resources and information.

www.bathmind.org.uk

Directors' Remuneration Report

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 2018 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, the Executive Directors 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 collective 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. The Society operates no final salary pension arrangements.

Kevin Gray receives the benefit of a company car. Richard Ingle and Tonia Lovell received the benefit of a car allowance. Kevin Gray, Richard Ingle and Tonia Lovell all received the benefit

of health insurance. The aggregate amount of these benefits is included in Table 1.

Executive Directors' contractual terms

Each Executive Director has an employment contract with the Society, terminable by either party giving six 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 three month's notice may terminate the agreement.

Procedure for determining remuneration

Joanne Evans, Fionnuala Earley and Sameer Rahman constituted the

Remuneration Committee in 2023.

The committee is responsible for setting Executive Director remuneration and Non-Executive Director fees.

After a review of the responsibilities and workload of Non-Executive Directors, the Committee approved a 5% rise in fees for 2024, in line with the current rate of inflation.

The Remuneration Committee 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

2023	Basic salary	Annual bonus	Benefits	Pension contributions	Total 2023
	£	£	£	£	£
Kevin Gray	181,527	10,396	9,378	21,783	223,084
Richard Ingle	146,315	13,222	7,515	16,711	183,763
Tonia Lovell	114,665	8,541	7,764	12,913	143,883
Total 2023	442,507	32,159	24,657	51,407	550,730

2022	Basic salary	Annual bonus	Benefits	Pension contributions	Total 2022
	£	£	£	£	£
Kevin Gray	171,512	8,603	9,371	20,581	210,067
Tonia Lovell	101,366	6,630	7,505	12,164	127,665
Tom Leach (resigned 14 July 2022)	72,272	4,424	3,892	8,673	89,261
Richard Ingle (appointed 22 August 2022)	48,062	3,520	2,598	5,767	59,947
Total 2022	393,212	23,177	23,366	47,185	486,940

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

	2023 £	2022 £
Robert Derry-Evans (Society Chair) (retired 31 December 2022)	-	39,670
Chris Smyth (Society Vice-Chair) (retired 28 April 2022)	-	10,811
Angela Cha	32,248	30,477
Fionnuala Earley	30,138	28,477
Joanne Evans (Society Chair from 1 January 2023)	44,095	32,588
David Smith	35,589	33,634
Kevin Hayes (appointed 1 January 2022 and elected 28 April 2022)	34,534	29,477
Sameer Rahman (appointed 1 May 2022)	31,193	19,711
Total	207,798	224,846

Note: Chris Smyth retired on 28 April 2022 and Robert Derry-Evans retired on 31 December 2022 and as such neither received any remuneration in 2023.

On behalf of the Remuneration Committee

Joanne Evans

Chair

7 March 2024

Summary Financial Statements

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 at every office of Bath Building Society from Friday 19 April 2024.

Summary Directors' Report

The information required to be presented within the summary Directors' Report is given in the Chief Executive's Review on pages 8 to 16.

Summary income statement

Results for the year ended 31 December 2023

	2023 £000	2022 £000
Net interest receivable	11,602	9,046
Other income and charges	(513)	556
Administrative expenses	(7,683)	(6,382)
Operating profit before provisions	3,406	3,220
Impairment loss on loans and advances to customers	(101)	(14)
Provision for other liabilities and charges	(20)	(10)
Operating profit and profit on ordinary activities before tax	3,285	3,196
Tax on profit on ordinary activities	(771)	(603)
Profit for the year	2,514	2,593

Summary balance sheet

Results for the year ended 31 December 2023

	2023 £000	2022 £000
Assets		
Liquid assets	81,318	85,337
Mortgages	280,833	264,197
Fixed and other assets	8,712	12,626
Total assets	370,863	362,160
Liabilities		
Shares	255,449	248,291
Borrowings	62,266	60,001
Other liabilities	6,085	9,319
General reserve	46,108	43,594
Revaluation reserve	955	955
Total liabilities	370,863	362,160

Key financial ratios

	2023 %	2022 %
Gross capital as a percentage of shares and borrowings	14.8	14.5
Liquid assets as a percentage of shares and borrowings	25.6	27.7
Profit for the year as a percentage of mean total assets	0.69	0.72
Management expenses as a percentage of mean total assets	2.10	1.76

Approved by the Board of Directors on 7 March 2024 and signed on its behalf by:

Joanne Evans
Chair

Kevin Gray
Chief Executive

Richard Ingle
Chief Financial Officer

Notes to the Summary Financial Statements

1. 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.
2. 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.
3. 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 of the total assets at the start and end of the year. The Society needs to make a reasonable level of profit each year in order to maintain its gross capital ratio at a suitable level to protect savers. The Directors believe the profit for the year is consistent with the aims of mutuality.
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.
5. Bath Building Society prepared its Financial Statements for the year ended 31 December 2023 in accordance with Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council.



Neha Rajashekar

Database and Application Support

"As a member of our amazing IT team, I work as a Database and Application Support. I have been employed by the Society since October 2022. My work includes the execution of daily, monthly, and annual IT processes. I also assist with day-to-day IT related issues raised by other departments within the Society. I am excited about my future with the Society and contributing my knowledge towards its success."

Independent auditors' statement on the Summary Financial Statements to the Members of Bath Investment & Building Society

We have examined the Summary Financial Statements of Bath Investment & Building Society (the 'Society') set out on pages 26 and 27, which comprises Summary Income Statements, the Summary Balance Sheet as at 31 December 2023 and a summary of the key financial ratios.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary Financial Statements, in accordance with the Building Societies Act 1986.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statements with the full Annual Accounts, the Annual Business Statement and the Directors' Report and its compliance with the

relevant requirements of Section 76 of the Building Societies Act 1986 and the regulations made under it.

We also read the other information contained in the Summary Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statements. The other information comprises only the Chair's Report, the Chief Executive's Review and the Directors' Remuneration Report.

This statement, including the opinion, has been prepared for and only for the Society's Members as a body in accordance with Section 76 of the Building Societies Act 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility

for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

Our examination involved agreeing the balances in the Summary Financial Statements to the full Annual Accounts. Our report on the Society's full Annual Report & Accounts describes the basis of our audit opinion on those Annual Accounts, the Annual Business Statements and the Directors' Report.

Opinion

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

PricewaterhouseCoopers
LLP Chartered Accountants
and Statutory Auditors
Bristol
7 March 2024

Notice of Annual General Meeting

The 120th Annual General Meeting (AGM) of the Members of Bath Investment & Building Society will be held on Tuesday 30 April 2024 in the Abbey Room at The Hilton Hotel in Bath at 2pm for the following purposes:

1. To receive the Directors' Report, Annual Accounts and Annual Business Statement for the year ended 31 December 2023.
2. To consider an Ordinary Resolution to appoint PricewaterhouseCoopers 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 Andrew Payton.
5. To re-elect Fionnuala Earley.
6. To re-elect Joanne Evans.
7. To re-elect Kevin Hayes.
8. To re-elect Richard Ingle.
9. To re-elect Tonia Lovell.
10. To re-elect Sameer Rahman.
11. To re-elect David Smith.

By Order of the Board

Tonia Lovell
Society Secretary
7 March 2024

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 Chair 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 Chair, 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; Tuesday 30 April 2024, if voting in person, and Thursday 25 April 2024 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 2023 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 2023 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 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 2023. 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 11 in the Notice of Annual General Meeting relate to Resolutions for election and re-election of Directors. In line with the UK Corporate Governance Code 2018, all Directors stand for re-election on an annual basis.
7. If you wish to appoint a proxy other than the Chair please contact us at AGM@bibs.co.uk

Director Profiles

This is the profile of the Director to be elected to the Board.



Andrew Payton

Independent Non-Executive Director

Andrew joined the Board in January 2024.

Roles

Member of Audit Committee

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



Fionnuala Earley

Independent Non-Executive Director

Fionnuala joined the Board in 2018.

Roles

Chair of Remuneration, People
& Culture Committee
Member of Audit Committee



Joanne Evans

Independent Non-Executive Director

Joanne joined the Board in 2021 and was elected as Chair in January 2023.

Roles

Chair of the Board & Chair of
Nomination Committee
Member of Risk Committee
Member of Remuneration, People
& Culture Committee



Kevin Hayes

Independent Non-Executive Director

Kevin joined the Board in 2022.

Roles

Chair of Risk Committee



Richard Ingle

Chief Financial Officer
(Chief Executive Elect March 2024)

Richard joined the Board in 2022.

Roles

Executive Director/Board Member



Tonia Lovell

**Director of Risk Management
& Society Secretary**

Tonia joined the Board in 2017.

Roles

Executive Director/Board Member



Sameer Rahman

Independent Non-Executive Director

Sameer joined the Board in 2022.

Roles

Member of Risk Committee

Member of Nomination Committee

Member of Remuneration, People
& Culture Committee



David Smith

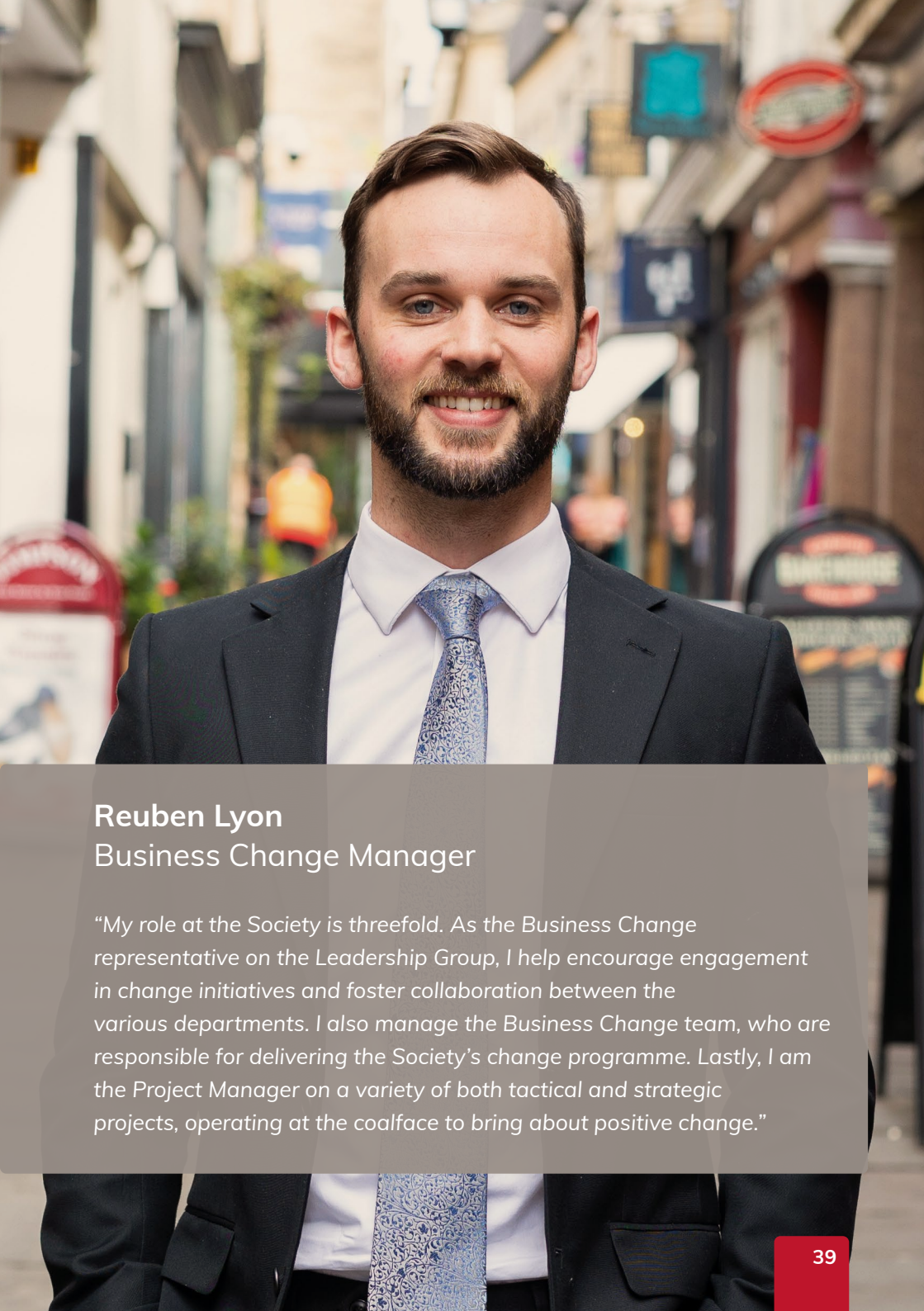
Independent Non-Executive Director

David joined the Board in 2016.

Roles

Chair of Audit Committee

Member of Nomination Committee



Reuben Lyon

Business Change Manager

"My role at the Society is threefold. As the Business Change representative on the Leadership Group, I help encourage engagement in change initiatives and foster collaboration between the various departments. I also manage the Business Change team, who are responsible for delivering the Society's change programme. Lastly, I am the Project Manager on a variety of both tactical and strategic projects, operating at the coalface to bring about positive change."

We're different
because you are

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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.

