

**AGM 2022: Your annual update**

# **Your Society Your Vote Your Future**



**Leeds Building Society**



# Your vote matters to shape our future

Whether you're saving for your future or we're helping you buy the home you want, we're here for you – just as we've been here for our members for more than 145 years.

This is our annual update of what's been happening across Leeds Building Society in the past year, including our financial performance and how we've continued to support you in everything we do.

## Contents

- 3** How to vote in AGM 2022
- 4** Chair's welcome
- 6** Chief Executive Officer's review of 2021
- 10** Year at a glance
- 12** Focusing on your future
- 14** Making a difference to your community
- 16** Playing our part to help the planet
- 18** Supporting our people to support you
- 20** Meet the directors
- 26** Summary Financial Statement
- 29** Directors' remuneration report
- 34** Why your vote matters
- 35** Ways to get involved

# How to vote in AGM 2022

## Online

Either scan the QR code on the front page of your voting form or visit our secure voting website **leedsbuildingsociety.co.uk/voting** and use your unique voting codes. You'll find these in your voting invitation email or on the front page of your paper voting form.

Online voting is available 24 hours a day until **11am on Wednesday 6 April 2022.**



## By post

Complete and return your voting form using the prepaid addressed envelope provided.

The form must be received by **11am on Wednesday 6 April 2022.**



## In branch

Complete, sign and date the declaration on your paper voting form. You can take it to any branch and place it in the ballot box before the branch closes on **Friday 1 April 2022.**



## At AGM 2022

The AGM will be held at **11am on Friday 8 April 2022** at **Leeds Marriott Hotel, 4 Trevelyan Square, Boar Lane, Leeds, LS1 6ET.**

At the time of print, it's our intention that members will be able to attend AGM 2022 in person. For our members' and colleagues' safety, we'll be following the latest government guidance on Covid-19 at the time of the event.

For information on the safety measures we're putting in place on the day, or if members aren't able to attend the AGM because of restrictions in place at the time, you'll find the latest updates at **leedsbuildingsociety.co.uk/aboutagm** or by talking to us in a branch\*.



\*We ask any members attending the AGM to arrive and depart promptly.

## Chair's welcome



**It has been an eventful 12 months since my last report, when I set out the principles adopted by the Board to guide the Society through the pandemic.**

**These were: protecting the health, safety and wellbeing of colleagues and members; preserving our financial security; and safely maintaining service to our members.**

**I am pleased to report that adhering to these principles, together with the outstanding efforts of colleagues, led to an excellent performance by the Society.**

### **Performance**

During 2021, normality began to return and the recovery of the economy was better than might have been anticipated, with an extremely strong housing market, low interest rates and intense competition. However, more recent developments remind us of the continued fragility and uncertainty the pandemic has caused.

As the economy stabilised and the housing market rebounded, we were keen to return to supporting borrowers and, particularly, first time buyers. Whilst maintaining appropriate lending standards, we were pleased to achieve record lending for the year.

We also remained focused on borrowers in financial difficulty, and the majority of those who required mortgage payment deferrals during the pandemic were able to resume normal repayments.

We remained mindful of the impact low interest rates have on savers and we used our financial strength to protect them, consistently paying above average rates. We kept branches open and our colleagues provided a professional, personal service to our members.

The Society delivered an exceptionally strong financial performance but, as a mutual, maximising profit is not our objective. Our aim is to optimise benefits to members and generate enough profit to keep the Society secure, grow the business and invest for the future.



Leeds Building Society was established nearly 150 years ago to provide the means for members to own homes, as well as offering a safe place for their savings. That purpose remains true today. Throughout that time, our obligation has always been to consider not just the interests of today's members, but also to ensure we can serve the needs of future generations.

As part of a multi-year improvement programme, we made further investments in technology, in our people, in our branch network, in upgrading our data centres, and in strengthening our operational resilience. These are aimed at ensuring the Society meets the needs of its members and intermediary partners.

The times we are living through clearly illustrate the interconnectedness of society and remind us of the Society's obligation to address challenges confronting us all.

We are working to reduce our environmental impact and analysing how we do this, as well as supporting our members to cut their own carbon footprint. We continue to make progress on equality, diversity and inclusion, and at the heart of our community engagement is our partnership with Dementia UK, supporting its services to reach more people.

### **Board changes**

We strengthened the Board with appointments which broaden skills, experience and diversity.

I am delighted that Rob Howse, our Chief Operating Officer, joined the Board as an Executive Director. Rob joined the Society in 2019 and his extensive experience of technology transformation and operational resilience equips him ideally to lead our ambitious IT and change agenda.

We welcomed Anita Tadayan as an independent Non-Executive Director. Anita is Global Portfolio & Digital Product Roadmap & Lifecycle Director at BT Group and brings 15 years' experience in senior transformation and operations roles with major brands, including Sky and Centrica, as well as for local and central government and primary care trusts.

In recognition of his broadened responsibilities, Andrew Greenwood, formerly Chief Risk Officer, was appointed as Deputy Chief Executive Officer.

To maintain continuity after a period of change, David Fisher has agreed to serve beyond the recommended nine-year term for non-executive directors. David continues to make an outstanding contribution to the Board and I am grateful to him extending his service until the end of 2022. He is succeeded as Chair of the Board Risk Committee by Neil Fuller (subject to regulatory approval), who was appointed as a non-executive director in December 2020.

Sadly, the pandemic has prevented us from meeting members face to face for our past two AGMs. We are hopeful members can attend this year, but we will be guided by the need to keep members and colleagues safe. In any event, we welcome members' questions or comments relating to Board matters at any time – email these to [agm@leedsbuildingsociety.co.uk](mailto:agm@leedsbuildingsociety.co.uk) (marked 'For the attention of Iain Cornish').

### **Outlook**

While the impact of the pandemic will stay with us for a long time, our focus remains on bringing home ownership within reach of more people, as well as offering long-term value to our savers.

More competition has entered our markets as the economy has recovered. Consequently, we do not expect the current levels of profitability to continue over the long term, but we do expect to maintain an exceptional level of financial strength and our capacity to invest to the benefit of our members.

Members can draw confidence from the fact we have continued to show great resilience in testing times, underpinned by the mutual values of shared strength and co-operation.

Finally, I would like to thank all my colleagues for their outstanding efforts in serving members, intermediary partners and other stakeholders, and supporting each other through the course of a highly demanding year.

**Iain Cornish, Chair**  
24 February 2022

**Chief Executive Officer's  
review of 2021**

**Richard Fearon  
shares his thoughts  
and reflects on the  
past 12 months.**

“

**After another challenging  
but successful year for  
the Society, I wanted to  
give an insight into the  
last 12 months and look  
back at some of our  
2021 highlights.**

”



## How do you reflect on the year the Society has had?

2021 was a real landmark year for the Society and I'm very proud of our performance and our colleagues.

We gave record levels of support to first time buyers and the housing market in general, we supported savers and we invested in our future as an organisation.

We showed some real leadership in the green finance space, as well as with our own efforts to reduce the Society's impact on the environment.

Colleagues and members have done a fantastic job raising more than £380,000 so far for Dementia UK and supporting local communities.

Plus, we stayed focused on all our members' needs throughout the year, which is something we must never lose sight of, regardless of what else is going on around us.

## What were the biggest challenges for you in 2021?

The biggest challenges obviously related to the pandemic and all the changing restrictions we had to adapt to.

Balancing keeping colleagues safe but also making sure we provided the essential services we offer our members was our biggest challenge, and it was tricky. I hope we got that right. Colleagues and members have told us we did, but it wasn't always easy.

We also saw record volumes in terms of mortgages, and working in a hybrid world we had to manage real surges of demand at times. But the team came together brilliantly, and I think we succeeded in delivering positive results people should be proud of.

## We supported mortgage members throughout 2021 – why is this important to you?

In 2021 we tried to support our members on all fronts, and that's extremely important because ultimately, we're a member-owned organisation with a clear purpose.

That purpose is all about putting home ownership in reach of more people. One way we did that was by staying in the 95% loan to value Shared Ownership lending market all the way through the pandemic, as it's an area of the market in which we can support first time buyers in particular.

We also introduced our First Homes proposition this year, to make sure we're at the forefront of supporting key workers buying their first home. I was proud that Society members like Laura and Carl (who we feature on page 13), were the very first people to get their feet on the housing ladder through the First Homes scheme.

But equally, we know times have been tough for many and we've helped our members who have been affected financially by the impact of the pandemic. We waived arrears fees in 2021, and we're continuing to do that as 2022 begins. We also helped borrowers who took mortgage payment deferrals during the pandemic to return to regular payments.



**2021 was a real landmark year for the Society and I'm very proud of our performance and our colleagues.**



## Chief Executive Officer's review of 2021

### And how have we supported savings members?

We know that the current market has been tough for savings members. But I'm pleased that our financial strength meant we could pay above the average market rate to our savers – equating to an extra £71.5 million in our savers' pockets.<sup>1</sup>

We also paid the highest average rate of all our peers at mid-year in terms of our savings rates, which was really pleasing.

We've been innovative too, through products like our new Regular Saver. This is a competitive rate with a two-year term, something different to competitors, to help people get into the habit of saving for something meaningful. We also launched our Dementia UK bond as well as the Dedicate a Tree children's accounts, which both proved successful.

### How did we show leadership on the environment in 2021?

The environment is such an important issue for everyone - I'm proud we're leading the way by taking positive action by reducing our emissions and through our mortgage and savings ranges.

We're focused on reducing our carbon footprint as a business, and we achieved carbon net neutral status ahead of many of our competitors and a year ahead of plan. Moving into our new energy efficient head office was a big step towards this.

We also launched our first green mortgages with preferential deals for members with more energy efficient properties. But more than that, we were the first lender to help customers with less energy efficient homes to offset their carbon footprint during the fixed term of their mortgage. That was on a pilot basis across our entire residential 95% loan to value range, and it was an innovative commitment to members.



**It's important to me that Leeds Building Society is both inclusive and a place where we have diverse talent with unique perspectives.**



### Why is it important to you that the Society is a diverse and inclusive organisation?

I grew up in Africa, where I always felt included and positively welcomed. However, there have been times in my life when I've not felt included and it's not a pleasant feeling.

It's important to me that Leeds Building Society is both inclusive and a place where we have diverse talent with unique perspectives, and where we understand and value our diverse members' needs.

There's been some great work done across the Society. Recently, we set up a network of diverse aspiring non-executive directors and several of our Board members spent time sharing their experiences with them. It was really rewarding, and I want to do more of this in 2022.

I want us to be an organisation that's a great place to work, no matter your background, your gender, your sexuality, your ethnicity, your disability or any other difference.

<sup>1</sup>Based on CACI's CSDB, Stock, December 2020 to November 2021. CACI is an independent company that provides financial benchmarking data for the retail cash savings market.



### What was your proudest moment of 2021?

There's a lot to be proud of at the Society, but I was absolutely delighted we achieved a 3 Star Best Companies employer accreditation. It's a fantastic accolade for colleagues in terms of how committed they've been to support our members through some difficult times. If our colleagues are engaged and positive then that means they're better placed to deliver great service, so I'm very proud of that.

### What's your message to members about what you want to achieve in 2022?

Many very successful businesses will say they're purpose led. The difference for us is that our purpose is the reason we were founded almost 150 years ago, and we've been living up to that ever since.

We do need to move with the times and make sure it's relevant, so we've renewed how we articulate our purpose. It's something that the original founders would recognise: "putting home ownership within reach of more people - generation after generation". That's what drives us forward, that's what should focus us in 2022. If we get that right, that will create long-term success for the Society and will benefit all our members.

### Finally, what do you enjoy most about your role as CEO of Leeds Building Society?

There are so many aspects of the role I really enjoy, so it's difficult to choose just one! But I love seeing the Society thrive.

As only the 8th CEO in the Society's long history, I know that it's my responsibility to be a custodian for the next generation and to ensure that the Society's strategy sets it up for long-term success and delivers on our purpose. With all we've achieved so far, I believe that's starting to happen.

So, I'd say the best thing for me is just seeing colleagues enthused and engaged about our purpose, working hard to provide brilliant service for our members. That's what I enjoy the most.



**We're focused on reducing our carbon footprint as a business, and we achieved carbon net neutral status ahead of many of our competitors and a year ahead of plan.**



If you have any questions I've not covered here, you can submit them, in advance of the AGM, by email: [agm@leedsbuildingsociety.co.uk](mailto:agm@leedsbuildingsociety.co.uk) or post: Secretary, Leeds Building Society, 26 Sovereign Street, Leeds, LS1 4BJ. Find out more on page 35.

To find out more about our financial performance in 2021, and to read my full CEO review, view our Annual Report and Accounts on our website: [leedsbuildingsociety.co.uk/reports](https://leedsbuildingsociety.co.uk/reports)

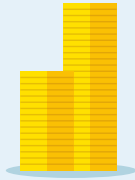
## Year at a glance

### Savings

We paid an average savings rate **0.50%** above the market average<sup>2</sup>



**£71.5 million** annual benefit to savers<sup>2</sup>



**41,500** new savings members joined us



### People and service

Maintained a **4\*** Trustpilot rating from consumer and member reviews



**93%** member satisfaction rate

Overall member satisfaction in a survey of 3,283 members from Jan - Dec 2021.



### Mortgages

We helped **20,196** more people buy their first home



We helped **43,000** more people have the home they want



### Charitable donations

**£144,000** donated by **Leeds Building Society Foundation** to 158 charities



An extra **£228,000** raised for **Dementia UK** in 2021 - more than **£380,000** in total



<sup>2</sup>Based on CACI's CSDB, Stock, December 2020 to November 2021. CACI is an independent company that provides financial benchmarking data for the retail cash savings market.

## Awards and recognition

Retained  
**Fairer Finance  
Gold Ribbon**  
for the fourth  
year running



What Mortgage  
**Best Shared  
Ownership  
Mortgage Lender  
2016–2021**



**3 Star  
accreditation -  
Best Companies -  
2022 survey**



**Best Shared  
Ownership Lender -  
Your Mortgage  
Awards**



**Gamechanger -  
Credit Strategy  
Lending Awards  
(with Experian)**



## Environment

**Achieved carbon  
neutral status**  
a year earlier  
than planned<sup>3</sup>



Continued to use  
**100%**  
**renewable energy**  
in all branches  
and offices



**The Carbon Trust  
Standard for Carbon**  
since 2018



First building society to  
**offset carbon emissions**  
for new purchasers of  
95% LTV fixed rate  
residential mortgages



New partnerships  
with **Do Nation** and  
**Yorkshire Dales  
Millennium Trust**



<sup>3</sup>Scope 1 and 2 and Scope 3 (business travel).



# Focusing on your future

Helping you to save and have the home you want is what we're all about, and every decision we make is driven by keeping you and your money in safe hands.

## Helping you save or own a home

### Meeting increased mortgage demand

2021 continued to see increased demand for mortgages, as changes to stamp duty took effect. In the first half of 2021 alone, we helped 19,000 more people have the home they want.

Our amazing colleagues completed mortgages for **43,000** people this year – **16,750** more than in 2020 – to help keep the market moving.

### Giving everyone the chance to get on the ladder

We exist to provide as many people as possible with a chance to own a home, and we helped more first time buyers get on the ladder in 2021 than ever before – more than **20,000** of you. We were also the first provider to complete mortgages for people who qualified for the government's new First Homes affordable home ownership scheme.

When it comes to Shared Ownership, we were also recognised as a leading lender, winning three prestigious industry awards, including Best Shared Ownership Mortgage Lender from What Mortgage.



Best Shared Ownership  
Mortgage Lender

## New products to help you save

We launched three new products to help you save for your future, while supporting our communities and the planet:

**Regular Saver** – allows savers to build up a £6,000 nest egg over a two-year period.

A new **savings bond** to support our charity partner, Dementia UK (see page 14).

A **'Dedicate a Tree'** partnership with Yorkshire Dales Millennium Trust – dedicating a tree in the Dales for every new children's savings account opened.

We've been committed to paying above the industry average in our savings rates, helping our members have £71.5 million more in extra interest in their pockets.



## Investing in the future of our branch network

### Keeping our branches safe, secure and sustainable

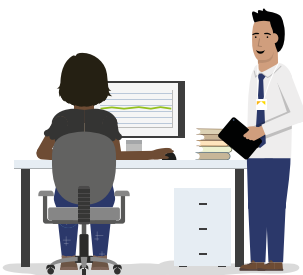
We know you love our network of branches across the country, and so do we.

We worked hard to make sure all our branches safely stayed open for essential services in the first half of 2021 as Covid-19 restrictions remained in place. It was nice to welcome more of you back as restrictions eased in the second half of 2021.

In September 2021 we moved our Leeds Central branch to a larger and easier to reach location on a bustling street in the heart of the city, demonstrating our commitment to a sustainable branch network.



## Supporting you when you need it most



Times have been tough for many in 2021 as the pandemic continued. We have supported members in financial difficulty with a range of measures including mortgage payment deferrals and continuing to waive mortgage arrears fees. To help us serve you better, we created 121 skilled roles in our head office in data, IT and underwriting.

## Laura and Carl

First Home buyers,  
Staffordshire



"We bought our new 3-bed detached house with a Leeds Building Society mortgage in October 2021 through the new First Homes scheme. I [Laura] work in the NHS so qualify for the scheme as a key worker.

Buying a house has been something we've worked towards for the past few years.

When the First Homes scheme became available it was too much of a good opportunity to miss, it enabled us to put down a 10% deposit on our house – something we would probably not have been able to do without the scheme.

We arranged our mortgage through a broker after saving up as much as we could by living with our parents.

There are so many advantages with the scheme, and it gave us a chance to own our first home to grow into."

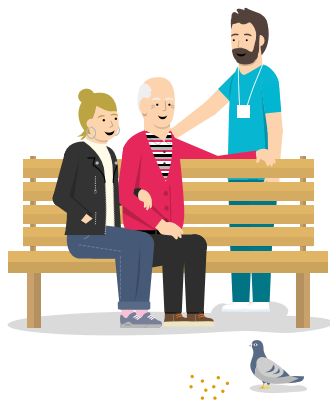




# Making a difference to your community

The pandemic has shown why community matters so much and last year we played our part to support good causes across the country.

## £380,000 for Dementia UK



### Proudly supporting our charity partner

In 2021 we raised more than **£228,000** for our charity partner Dementia UK, bringing the total raised so far to more than £380,000. By the end of 2024, we aim to have supported more than 2,500 families living with dementia by raising a massive £500,000.

Our new three-year fixed rate bond also supported Dementia UK's Closer to Home mobile support clinic, by donating a percentage of the total balances in the product each year of the term. All funds raised through fun colleague initiatives and the savings bond play a key role in keeping the Closer to Home service operating.

## Helen Green

Admiral Nurse,  
Dementia UK



“Caring for a loved one can be a 24/7 role. Booking a Closer to Home clinic appointment with a dementia specialist Admiral Nurse like me means we can provide tailored support at a time that suits the family.

Family carers often contact our Dementia Helpline during periods of crisis when they need urgent support, and we are always happy to help. But a pre-booked Closer to Home clinic session gives them the opportunity to prepare – for example, by writing down questions, and ensuring someone else can be with the person with dementia so the caller can focus fully on the appointment and take on board the advice we give.

Having the support of Leeds Building Society with this vital service is fantastic. The money raised through the partnership really does make a difference and allows us to support more families when they need it most.”

## Paying Fair Tax

We're delighted to have kept our Fair Tax Mark for another year. Paying our fair share of tax in the UK is another way we help the communities where you and our colleagues live and work. We're committed to being open and honest about our tax reporting, paying the right amount of tax, at the right time, in the right places to help our public services like education, social care and health.



## Strong Foundations

### Making a difference to good causes

Leeds Building Society Foundation continued its good work, donating over £144,000 to more than 158 charities and good causes across the UK. The Foundation works to support those who are disadvantaged or in vulnerable circumstances, including youth associations, volunteer groups and other organisations. One of the charities who benefited was able to buy equipment to allow it to offer tandem cycling in the Lake District for those who are visually impaired.



## Proud 15-year sponsors of Leeds Rhinos

We became the longest front-shirt sponsor in Super League history after our 15th season supporting Leeds Rhinos, and we also extended the deal for another two seasons. Our new Fan of the Month competition gave loyal fans a chance to win fantastic prizes and stay connected to their team at a time when they were unable to attend games in person.

### Pledge today, change tomorrow

In April 2021, we partnered with the online platform Do Nation to help colleagues make pledges to reduce their environmental footprint. Colleague pledges have ranged from air-drying clothes and taking the stairs rather than the lift, to cutting down on eating meat.

### Supporting LEEDS 2023

We're delighted to be announced as one of the first Club Partners for the LEEDS 2023 year of culture. The partnership means that not only can we support the charity financially, but also provide our expertise and services where required as the city hosts 12 signature events and a multitude of creative experiences for people in the city.



# Playing our part to help the planet

**It's more important than ever to do our bit and reduce our carbon emissions – here's how we've been doing the right thing.**

## We're carbon neutral – a year early

We're proud that we've attained carbon neutral status for Scope 1 and 2 emissions and Scope 3 emissions (business travel). This means we've reduced the amount of carbon we emit as a business – and we've done this a year earlier than planned.

Scope 1 emissions are the direct greenhouse gas emissions from things like the fuel we use. Scope 2 are the indirect emissions from the electricity we buy, and Scope 3 are indirect emissions from outside our operations<sup>4</sup>.

## A tree-mendous partnership

In partnership with Yorkshire Dales Millennium Trust, from July to November 2021 we dedicated a newly planted tree in the Yorkshire Dales for every child's savings account opened.

We also dedicated 1,500 trees on behalf of colleagues, some of whom volunteered to support the creation of new woodlands in the Dales. The trees will grow to form an important habitat for wildlife as well as helping to create a resilient woodland that can help mitigate the impacts of climate change. Over the next 50 years, these trees should offset an estimated 250 tonnes of CO<sub>2</sub>.



<sup>4</sup>As defined by the Greenhouse Gas (GHG) Protocol Corporate Standard



## Jenepher Parry Davies

Leeds Building Society member, Southampton



"It's important to me that Leeds Building Society is actively supporting ways to tackle climate change. I've been a member of the Society for nearly 40 years.

I've always been concerned about the environment. I'm a vegetarian and only drive when there is no alternative means of travel.

I'm also an avid recycling enthusiast. For several years I've organised a Christmas carol concert in my local church and last year attendees were asked to donate clothes they no longer use for a local homelessness charity.

I'm pleased to learn that my local branch is committed to using renewable energy - I'm glad the Society is doing the responsible thing when it comes to the environment."



## Our new green home

In May 2021 our head office colleagues moved into an environmentally friendly, EPC A-rated building in Leeds city centre. Our construction partner Graham was awarded a Gold Green Apple Award for its approach to sustainability on the fit-out, using energy efficient glass and recycled materials where possible. The building is entirely powered by renewable energy sources, just like all our branches.

We've also adopted a mile-long stretch of the river and canal adjacent to our new head office. We'll be working with Canal & River Trust over the next two years to preserve the local greenspaces and encourage native wildlife, flora and fauna.



## The Carbon Trust Standard for Carbon



We've proudly retained our Carbon Trust Standard for Carbon - a certification that recognises we're cutting our carbon footprint. It was developed by the Carbon Trust, an independent, expert partner of leading organisations around the world, helping them contribute to and benefit from a more sustainable future.

## Ways to live greener

In November we also launched our Guide to Living Greener on our website. This is part of our commitment to help members understand how, by making small changes in and around your homes, you can positively impact climate change. Visit [leedsbuildingsociety.co.uk/greenerliving](https://leedsbuildingsociety.co.uk/greenerliving) to find out more.

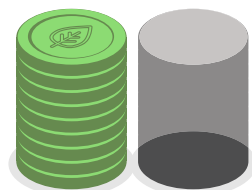
## Helping you to play your part too

In November we also became the first UK lender to help members use their mortgage to make a difference to the environment.

On a pilot basis, we introduced a carbon offset commitment on all our new purchase 95% LTV (loan to value) mainstream residential fixed rate mortgages.

We committed to offset 4.2 tonnes of carbon for members taking out a 95% LTV residential fixed rate mortgage, for each year of their fixed term.

This means members can use their mortgage to significantly reduce their home's carbon footprint without having to initially make any costly home efficiency improvements.



# Supporting our people to support you



**We're proud to have achieved a coveted 3 Star rating in the Best Companies employer 2022 survey. These stories from three of our colleagues show how we're building a diverse and inclusive culture for everyone, so we can serve you in the best possible way.**



“

**It's important  
we reflect the  
diversity of our  
members**

”

**Netré Shawa-Bell**  
Secretary of the Leeds Building  
Society Race Equality Forum

“I joined the Society six months ago and race equality was at the top of my agenda. I knew the Society had a Leaders in Diversity accreditation, so I got involved in the forum as soon as I joined. The forum allows me to challenge what we're doing and help maintain our accreditation.

During Black History Month in October 2021, I got to talk to our CEO Richard Fearon about his time living in Zambia, where I was also born and raised. It was good to find out how he felt about living there. It was also good hearing what he wants to do to ensure we have a more diverse colleague outlook that reflects our membership.

Leeds, where I live, is a diverse city, and so are all our Society members. It's important to reflect that across the people that work here.

By having the forum we're able to challenge and question senior leaders and their strategy. This openness is really refreshing. There's an appetite across the senior leadership team here to see real change and our accreditation shows this.”





“

**We can all benefit from listening to other viewpoints**

”

**Victoria Kenny**

from the Leeds Building Society Gender Diversity Forum

“The Gender Diversity Forum is here to promote awareness of gender among our colleagues and to support the Society to increase the proportion of female senior leaders.

This year we've run events on Women in IT, networking sessions on empowerment for our female leaders and even hosted a discussion with the Menopause Warrior, who featured in a recent Channel 4 documentary.

We've provided colleagues with useful information on parental leave, women's personal safety and men's mental health (with Leeds Rhinos) and run surveys on how the menopause affects colleagues.

We're currently working on some exciting policy changes to provide free sanitary products for our colleagues and to support our non-binary and transgender members.

In 2021, I'm proud we've worked more closely than ever with the Race Equality and Mental Health Forums and LGBTQ+ Network to share knowledge and ideas. We can all benefit from listening to other viewpoints and ideas and it's fantastic to see more and more colleagues getting involved in these conversations and tackling subjects that might once have been taboo in the workplace.”



“

**I can flex my work around my childcare needs**

”

**Craig Mundy**

Change team, Head Office

“I've been on paternity leave twice at Leeds Building Society now. My first paternity leave was smooth sailing but my second was a lot rougher because our son spent time in hospital. He's a happy, healthy boy now, though.

While I was on paternity leave, my team found the right balance of recognising this was a big moment for me and my family and not bombarding me with too many messages or work updates. My manager also helped me feel supported too.

I'm pleased the Society got a 3 Star accreditation in the Best Companies employer survey. I have a great work/life balance and the Society is fantastic at encouraging this. It's made even easier now with working from home options in place. I can flex my work around my childcare needs and most people seem to have an appreciation for what you may be going through as a new parent or someone with a newborn.”

## Meet the directors

**AGM 2022 is your chance to vote for the Society's board of directors and other important matters.**

**Your vote really does make a difference – a director will only be elected or re-elected if the majority of members vote in their favour. Your vote empowers them to act in your best interests.**

**By responding to the world around us and preparing for the future, the appointed directors will work to ensure the Society remains strong and secure, so we can be here for our members for another 145 years.**



**Iain Cornish**  
Chair and Independent  
Non-Executive Director

**Appointed:** Independent Non-Executive Director in January 2019 and Chair of the Board in April 2020

**Board committees:** Chair of Nominations Committee

**Strengths and experience:** Iain has more than 30 years' experience working in financial services. A former CEO of Yorkshire Building Society (2003-2011) and Chair of the Building Societies Association (2007-2008), Iain has held a number of non-executive posts. He was a Treasury Select Committee Special Advisor and Independent Director for the Prudential Regulatory Authority and chaired the Financial Services Authority Practitioner Panel. In addition to significant experience within the sector, Iain has relevant risk and audit committee experience.

**Other roles:** Iain is a trustee and treasurer of Macmillan Cancer Support.

**"As Chair, my role is to lead the Board and oversee the development and delivery of the Society's strategy. The Board's primary focus throughout the pandemic was to adapt to the changing environment so that we can continue to provide a high level of service and support to our members, keep colleagues informed and safe and maintain financial resilience. Over the next year my priority will be to ensure that the Society invests wisely and further improves its operations to continue to meet the needs of current and future members in a rapidly changing world."**

## Meet the directors



**Richard Fearon**  
Chief Executive Officer

**Appointed:** Chief Executive Officer in February 2019 and Executive Director in 2016

**Strengths and experience:** Richard started his career at Oliver Wyman & Company and spent 10 years at Lloyds Banking Group in senior mortgage and savings roles. Richard has an excellent understanding of product development to meet customer needs, as well as strong strategic and commercial skills. As Chief Executive Officer, Richard has responsibility for developing and proposing the Society's strategy, objectives and plans and maintaining our business model and culture.

**Other roles:** Richard is the Chair of the UK Finance Mortgages Product and Service Board.

**"One of my priorities as CEO is ensuring our members are at the heart of every decision we make. Our corporate priorities have supported us in navigating the disruption caused by the Covid-19 pandemic and we've been able to continue to effectively serve members and uphold our purpose as a mutual building society. My role involves leading the management team so that we can operate in the best interests of our members."**



**Annette Barnes**  
Independent Non-Executive Director

**Appointed:** February 2019

**Board committees:** Member of Board Risk and Remuneration Committees

**Strengths and experience:** Prior to joining the Society, Annette was CEO at Lloyds Bank Private Banking Ltd and Managing Director of Wealth & Mass Affluent for Lloyds Banking Group. With her background in operations, technology and customer experience, and recent board and regulatory positions, Annette brings a wealth of knowledge to the Board.

**Other roles:** Annette is a non-executive director of GlobalData plc, Quilter Life & Pensions Limited and Quilter Investment Platform Limited.

**"The world has changed in many ways since I began my career in financial services more than 30 years ago; with significant digital advancements and an appropriate focus on the value of a diverse workforce. In my role as a Board member, it's for me to challenge and support management, so that collectively we can continue to meet the changing needs of members, colleagues and other stakeholders. The Board really focuses on the needs of all of its stakeholders, and for me, that is a huge part of the role."**

## Meet the directors



**Andrew Conroy**  
Chief Financial Officer

**Appointed:** Chief Financial Officer in July 2019 and Executive Director in January 2020

**Strengths and experience:** Andrew started his career at PricewaterhouseCoopers before moving to West Bromwich Building Society. He has more than 15 years' experience in financial services, including a number of senior roles in both building societies and banking institutions.

Having worked within finance, treasury and corporate strategy, Andrew has developed strong technical skills in financial accounting and treasury risk management.

Andrew is the Chair of the Assets and Liabilities Committee and Balance Sheet Optimisation Group and has responsibility for the Society's Finance, Treasury and Third Party Management functions, along with oversight of its recovery and resolution plan and activities.

**Other roles:** Andrew is a trustee for Saltmine Trust.

**"Covid-19 has significantly impacted the global economy and this, as you would expect, has impacted many firms in the financial services sector, as well as many of our members.**

**My focus is to ensure we support our members and colleagues by safeguarding the Society's financial position. This continues to be my priority as I lead our finance function into 2022."**



**David Fisher**  
Independent Non-Executive Director

**Appointed:** March 2012

**Board committees:** Member of Audit, Board Risk and Remuneration Committees

**Strengths and experience:** With more than 30 years' experience in financial services, David's career began at Halifax Building Society. Since then, he has developed a wealth of knowledge in retail financial services and has a strong understanding of risk management, pensions and human resources. Prior to joining the Society, David was CEO of Sainsbury's Bank. David was Chair of the Board Risk Committee until December 2021.

**Other roles:** David is a non-executive director of Tandem Bank Ltd and Tandem Money Ltd.

**"The Society's ongoing strength and stability rely on our ability to identify, manage and mitigate risk. My role as a member of the Board Risk Committee and Audit Committee is to ensure we are financially resilient and have robust systems in place to manage risks throughout the business, which include our risk management framework and internal controls. I'm extremely impressed with how the management team has responded to the additional risks posed by the pandemic and my ongoing priority is to ensure risks are being managed appropriately, so we can remain secure."**

## Meet the directors



### Neil Fuller

Independent Non-Executive Director

**Appointed:** December 2020  
**Board committees:** Chair of Board Risk Committee (subject to regulatory approval) and member of Audit Committee

**Strengths and experience:** Neil joined the Board in December 2020 with over 35 years' experience in retail banking and financial services. Prior to joining the Society, Neil held senior roles at Bank of Ireland UK plc including Chief Risk Officer and Executive Board Director, and for a short time, Interim Chief Executive Officer. Before this, he undertook the role of Chief Risk Officer at GE Capital Bank Ltd and a variety of roles including Risk Director and Chief Risk Officer in the UK retail division of Royal Bank of Scotland and NatWest. Neil's experience and knowledge of risk management in the financial services sector bring value and further strengthen the Board. Neil was appointed as Chair of Board Risk Committee from January 2022, subject to regulatory approval.

**Other roles:** Neil is a non-executive director of Aspinall Financial Services Ltd.

**"I believe the experience I have gained as Chief Risk Officer at different organisations and my understanding of risk management and the principal risks facing the financial services sector bring value to the Board. The ethics of a mutual resonate strongly with me and I very much enjoy working with the Society."**



### Andrew Greenwood

Deputy Chief Executive Officer

**Appointed:** Deputy Chief Executive Officer in May 2021 and Executive Director in January 2015

**Strengths and experience:** Andrew started his career as a solicitor in private practice and has worked for the Society since 1998 in a variety of legal, compliance and risk focused roles. Having developed extensive experience of working in a highly regulated environment, Andrew leads the Risk function, which comprises a number of specialist teams.

Andrew is responsible for the overall management of the Society's risk control framework, which includes co-ordinating and managing principal risks and risk appetite. He reports directly to the Board Risk Committee and attends all the Society's management risk committees.

Andrew is also responsible for our Human Resources, Learning and Development and Property and Business Services functions.

**"Having worked for the Society for more than 20 years, primarily in the Risk function, I have extensive experience of risk management and a strong knowledge of the organisation, its people and culture. A key aspect of my role as Chair of the Models and Rating System Committee is supporting the Board to fulfil our financial risk management responsibilities and helping other directors understand the model framework, which underpins assumptions and decision making. This role continues to be important as we adapt to changes in the economy."**



## Meet the directors



**Gareth Hoskin**  
Independent Non-Executive  
Director

**Appointed:** November 2015

**Board committees:** Chair of Audit and member of Board Risk, Nominations and Remuneration Committees

**Strengths and experience:** Gareth has acquired extensive experience during his 30 years working in financial services, both in the UK and abroad. Having spent almost 20 years at Legal & General plc, Gareth was a director and CEO of the International Division. Prior to this, Gareth was a chartered accountant at PricewaterhouseCoopers. In January 2019, Gareth was appointed Vice Chair and Senior Independent Director of the Board. His responsibilities as Chair of the Audit Committee include safeguarding the independence of the Internal Audit function and acting as our whistleblowing champion.

**Other roles:** Gareth is a non-executive director and Chair of the Audit Committee of Saga plc and a non-executive director and Chair of Acromas Insurance Company Ltd. He is also advisor to the Board of Green Park Partners Ltd.

**“As Chair of the Audit Committee, it’s my responsibility to make sure our financial statements are fair, balanced and include all the information you, as a member or stakeholder, need to assess and understand our performance. It’s my role to challenge where required and to use my experience from the past 30 years to oversee the Society’s reporting and audit processes.”**



**Rob Howse**  
Chief Operating Officer

**Appointed:** Chief Operating Officer in September 2019 and Executive Director in May 2021

**Strengths and experience:** Before joining Leeds Building Society, Rob spent over 10 years in a number of senior executive technology, operations and change roles at RBS and Lloyds Banking Group, primarily focused on Retail Banking. His earlier career included time in Telecoms, the Royal Navy and as a management consultant at McKinsey and Company where, as an associate partner, he specialised in advising multinational clients on the design and execution of transformation programmes.

As Chief Operating Officer, Rob’s responsibilities include transformation, technology and operational resilience and he is the Chair of the Executive Transformation Committee and the Operational Resilience Committee.

**Other roles:** Rob is co-Chair of the UK Finance Digital, Technology and Cyber Product and Service Board.

**“Since joining the Society, I’ve used my extensive experience of technology, transformation and operational resilience to strengthen the execution of the Board’s strategic agenda and help assure day-to-day operations. I’ve used this experience to ensure that the Society continues to operate safely while still investing in our long-term future and improving the way that we work every day.”**

## Meet the directors



### Lynn McManus

Independent Non-Executive Director

**Appointed:** September 2017

**Board committees:** Chair of Remuneration and member of Audit, Board Risk and Nominations Committees

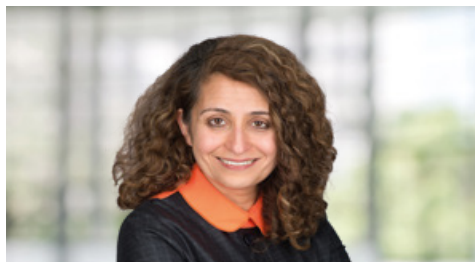
**Strengths and experience:** Lynn joined the Board in September 2017 bringing more than 20 years' experience within financial services. She has worked within finance, risk, HR and communications and her most recent role was at Clydesdale Bank, where she was a member of the executive team. Lynn is a chartered management accountant.

Lynn is the Board-appointed colleague representative.

In her role as Chair of the Remuneration Committee, she's responsible for overseeing the development and implementation of the Society's remuneration policies and practices.

**Other roles:** Lynn is a director of Kane LMMG Ltd and Doggy Day Care Academy Ltd.

**"Along with my Board accountabilities I have two further key responsibilities. The first is to represent colleagues as the Board-appointed colleague representative; I am delighted to be a spokesperson for all colleagues and represent their views at Board level. The focus on our colleagues is always a high priority and is central to many of the important decisions we make. The second is in my role as Chair of the Remuneration Committee. It's my responsibility to make sure the Society has the appropriate policies in place to set Board and senior management remuneration, which are clearly aligned to our strategy and culture and promote the right behaviours and outcomes."**



### Anita Tadayon

Independent Non-Executive Director

**Appointed:** October 2021

**Board committees:** Member of Board Risk Committee

**Strengths and experience:** Anita joined the Board in October 2021 with over 25 years' experience and a strong track record in transformation. Anita has held a number of senior roles and has developed a great deal of expertise in combining technology and change along with the development and design of customer journeys. Anita is currently employed by BT Group as Global Portfolio & Digital Product Roadmap & Lifecycle Director. Previously she ran a design function in BT Consumer and worked for both Sky and British Gas in transformation. Anita also brings FCA regulatory knowledge from her time with British Gas, where she was responsible for the conduct team within customer operations. Anita has an MBA from London Business School.

**Other roles:** Anita is a director of Tadayon Consulting Limited and Global Portfolio & Digital Product Roadmap & Lifecycle Director for BT Group.

**"I am delighted to have joined the Society as a non-executive director and feel strongly about the values associated with mutuality. I believe that my knowledge and experience will provide different insights to the Board, thereby adding value to the decision making process."**

## Summary Financial Statement

**The directors have pleasure in presenting the Summary Financial Statement of the Society and its subsidiaries ('the Group') for the year ended 31 December 2021.**

The Statement is a summary of information published in the audited Annual Accounts, Directors' Report and Annual Business Statement, all of which are available to members and depositors, on the Society's website: ([leedsbuildingsociety.co.uk/reports](https://leedsbuildingsociety.co.uk/reports)) or on request at any branch, free of charge. The Independent Auditor's Report on the Society's full Annual Report and Accounts was unmodified.

### Summary Directors' Report

The Summary Directors' Report for the year ended 31 December 2021 comprises the Chair's Statement on pages 4 and 5, and the Chief Executive Officer's Review on pages 6 to 9.

The directors have confirmed it is appropriate to adopt the going concern basis in preparing the financial statements.

**Approved by the board of directors on 24 February 2022 and signed on its behalf by:**

**Iain Cornish**  
Chair

**Richard Fearon**  
Chief Executive Officer

**Andrew Conroy**  
Chief Financial Officer

### Gross capital as a percentage of shares and borrowings

The gross capital ratio measures the proportion that the Group's gross capital bears to the Group's liabilities to holders of shares and borrowings. The Group's gross capital consists of profits accumulated over many years in the form of general reserves together with other reserves, revaluation reserves, subordinated liabilities and subscribed capital which cannot be repaid in priority to ordinary investors. Capital provides a financial cushion against difficulties that might arise in the Group's business and, therefore, protects investors.

### Liquid assets as a percentage of shares and borrowings

The liquid assets ratio measures the proportion that the Group's assets held in the form of cash, short term deposits and other securities bears to the Group's shares and borrowings. Liquid assets are generally readily realisable, enabling the Group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

### Profit for the year as a percentage of mean total assets

The profit/assets ratio measures the proportion that the Group's profit after taxation for the year bears to the average of the Group's total assets during the year. The Group needs to make sufficient profit each year in order to maintain its capital ratios at a suitable level to protect investors.

### Management expenses as a percentage of mean total assets (cost to mean asset ratio)

The management expenses ratio measures the proportion that the Group's management expenses bear to the average of the Group's total assets during the year. Management expenses consist mainly of the costs of employing staff, running the Group's branches and offices, information technology costs, depreciation and amortisation. Expenses are controlled so that the Group operates as efficiently as possible while providing the service that members require.

## Summary Financial Statement

<b>Results for the Year 2021</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
Net interest receivable	282.2	205.4
Other income and charges	5.3	8.2
Fair value losses on financial instruments	(0.5)	(16.8)
Management expenses	(126.0)	(100.4)
Impairment credit / (charge) on loans and advances to customers	4.1	(14.6)
Provisions charge	(1.4)	(1.1)
<b>Operating profit and profit before tax</b>	<b>163.7</b>	<b>80.7</b>
Taxation	(43.5)	(18.7)
<b>Profit for the year</b>	<b>120.2</b>	<b>62.0</b>
<b>Financial position at the end of the year</b>		
<b>Assets:</b>		
Liquid assets	3,646.8	2,974.8
Mortgages	18,303.0	16,752.5
Other loans	224.2	236.4
Derivative financial instruments	219.3	192.8
Fixed and other assets	120.4	483.2
<b>Total assets</b>	<b>22,513.7</b>	<b>20,639.7</b>
<b>Liabilities and equity</b>		
Shares	15,258.0	14,162.7
Borrowings	5,111.0	4,654.7
Derivative financial instruments	166.8	237.9
Other liabilities	136.6	188.2
Subordinated liabilities	339.4	–
Subscribed capital	227.3	241.5
Equity	1,274.6	1,154.7
<b>Total liabilities and equity</b>	<b>22,513.7</b>	<b>20,639.7</b>
<b>Summary of key financial ratios</b>		
Gross capital as a percentage of shares and borrowings	9.04	7.39
Liquid assets as a percentage of shares and borrowings	17.90	15.81
Profit for the financial year as a percentage of mean total assets	0.56	0.30
Management expenses as a percentage of mean total assets	0.58	0.48

## Summary Financial Statement

### **Independent auditor's statement to the members and depositors of Leeds Building Society**

We have examined the Summary Financial Statement of Leeds Building Society and its subsidiaries (the Group) for the year ended 31 December 2021, which comprises the results for the year, financial position at the end of the year and summary of key financial ratios together with the Summary Directors' Report.

### **Respective responsibilities of directors and auditor**

The directors are responsible for preparing this Member Magazine containing the Summary Financial Statement, 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 Magazine with the full Annual Report and Accounts, Annual Business Statement and Directors' Report and its conformity with the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

We also read the other information contained in the Member Magazine and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises the items listed on the contents page.

### **Basis of opinion**

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

### **Opinion on Summary Financial Statement**

In our opinion the Summary Financial Statement is consistent with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of Leeds Building Society for the year ended 31 December 2021 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made thereunder.

### **Use of our report**

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.

**Deloitte LLP**  
**Statutory Auditor**  
**Leeds, United Kingdom**

**24 February 2022**



## Directors' remuneration report

Dear member,

I am pleased to present this year's Remuneration Committee's report. The report includes a summary of our Remuneration Policy, together with key decisions made in the year.

The focus of the Committee is to set our Remuneration Policy, base pay, variable remuneration and other benefits for executive directors and Material Risk Takers. The Committee also has oversight of reward for the broader colleague population and I particularly welcomed the significant investment in colleagues in 2021.

### Performance and awards 2021

Earlier sections of the report have explained that we have delivered an extraordinary performance across all our key metrics and, as such, our variable pay outturn reflects this performance.

As reported last year, significant changes were made to the variable pay scheme last year, providing a stronger link to our culture and behaviours. This is an important step in providing a clearer link to our mutual culture.

As part of the changes, the Committee decided to reduce the maximum bonus potential from 50% to 20%, thereby aligning the bonus scheme potential for the entire Senior Leadership Team.

After careful consideration, annual bonuses of between 16.7% and 18.8% (2020: 40.8% and 41.4%) have been awarded for 2021 to the executive directors, which represents between 83.5% and 94% (2020: 82% and 83%) of the maximum award available.

In arriving at the decision to award variable remuneration, a full risk assessment process is undertaken, during which the Committee considers a range of factors and input from the Board Risk Committee. Following full consideration, no adjustment was deemed necessary. The Remuneration Policy has operated as intended.

As reported last year, the executive directors, other members of the Senior Leadership Team and non-executive directors (including the Chair) did not receive an annual pay or fee increase in April 2021. Basic salary increases for colleagues ranged from 0% to 25%, with an average of 5.80% in the year.

In light of the uncertainty surrounding the pandemic, the Committee took the decision to defer the 2020 variable remuneration for executive directors and re-test the outturn in 2021. This re-test has confirmed the outturn reported last year and endorses the strong performance achieved in 2020. The 2020 awards received by executive directors will be made in April 2022 and are subject to the normal payment and deferral schedule.

### Directors' Remuneration Policy

We are asking members to approve a change to the Directors' Remuneration Policy at the 2022 AGM. Following the significant changes to the structure of remuneration packages in 2021, we are not proposing major changes this year. However, during 2021, there has been increasing competition for talent and we are not immune to this. Whilst we have the option to use retention bonuses for all colleagues in the Society, we are seeking additional flexibility to make retention awards specifically to executive directors in exceptional cases, where we believe it is necessary in the interests of members and the Society to retain the service of an executive director. These awards are designed to incentivise a key individual to stay with the Society for a limited period and during the completion of a specific project or other multi-year deliverable; and the flexibility will ensure we have the capacity to respond to a particular circumstance, without having to permanently increase pay levels.

Any retention awards will be subject to regulatory requirements around variable pay and we are proposing the Committee has the flexibility to make an award up to the maximum permitted (in conjunction with the annual bonus) without breaching the regulatory cap on variable pay, of 100% of fixed pay.

## Directors' remuneration report

Presently, for example, the Remuneration Committee is considering the successful delivery of the critical, multi-year core system migration programme.

I can assure you that the Committee will be, as we always are, focused on the interests of members, colleagues and other stakeholders when considering whether to make an award. If we do use the flexibility, we will explain carefully in the subsequent annual report why we considered it was necessary to do so.

The full Remuneration Policy is available in the 2021 Annual Report and Accounts.

### **Other matters considered by the Remuneration Committee**

As well as myself as Chair, the Committee consisted of three other non-executive director members: Annette Barnes, David Fisher and Gareth Hoskin.

There were four meetings in 2021, dealing with the review of compliance with the Remuneration Code, the setting and review of performance against objectives, reviewing the variable remuneration schemes for 2022, Gender Pay Gap reporting and the oversight of reward for the broader colleague population.

### **Looking ahead**

We will continue to ensure we have the right reward structures to support our mutual culture, purpose and the long term sustainability of the Society. As such, for 2022, the Committee has approved the inclusion of specific measures for our diversity and inclusion and climate change aspirations in the annual variable remuneration scheme.

I trust this report is helpful and informative. The Remuneration Committee recommends that members vote in favour of the 2021 Directors' Remuneration Report and the referenced change to the Remuneration Policy at the AGM.

**Lynn McManus**  
**Chair of the Remuneration Committee**  
**24 February 2022**

## Directors' remuneration report

### Executive director remuneration summary for 2021

The total remuneration received by executive directors for 2021 is detailed below, compared with 2020. The total remuneration for executive directors equates to 1.2% of profit before tax (2020: 2.0%). This information has been audited and shows remuneration for the years ended 31 December 2020 and 31 December 2021, as required to be reported under the Building Societies (Accounts and Related Provisions) Regulations 1998. The awards made in respect of performance in 2021 are in line with the 2021 Remuneration Policy, with a maximum variable pay of 20% for executive directors.

The Chief Executive Officer is the Society's highest paid colleague. As we are a mutual organisation, we have no share capital and, therefore, do not offer share-based remuneration to executive directors or colleagues.

#### 2021 audited

Executive directors	Salary	Annual bonus	Pension	Loss of office	Total fixed remuneration	Total variable remuneration	Total remuneration
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
R G Fearon	543	102	50 <sup>(1)</sup>	–	593	102	695
A P Conroy	342	60	34 <sup>(1)</sup>	–	376	60	436
A J Greenwood	361	62	51 <sup>(1)</sup>	–	412	62	474
R J Howse <sup>(2)</sup>	229	63	23 <sup>(1)</sup>	–	252	63	315
<b>Total remuneration<sup>(3)</sup></b>	<b>1,475</b>	<b>287</b>	<b>158</b>	<b>–</b>	<b>1,633</b>	<b>287</b>	<b>1,920</b>

#### 2020 audited

Executive directors	Salary	Annual bonus	Pension	Loss of office	Total fixed remuneration	Total variable remuneration	Total remuneration
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
R G Fearon	457	190	37 <sup>(1)</sup>	–	494	190	684
A P Conroy	290	119	29 <sup>(1)</sup>	–	319	119	438
A J Greenwood	305	125	43 <sup>(1)</sup>	–	348	125	473
<b>Total remuneration<sup>(3)</sup></b>	<b>1,052</b>	<b>434</b>	<b>109</b>	<b>–</b>	<b>1,161</b>	<b>434</b>	<b>1,595</b>

#### Notes

(1) These directors elected to receive part or all of the Society's pension contribution as a cash allowance.

(2) R J Howse was appointed to the Board on 1 May 2021.

(3) No director received other taxable benefits of £1,000 or above.

## Directors' remuneration report

### Annual incentive

For 2021, financial performance and corporate performance incentive opportunities were based on the performance measures in the following table.

The table also illustrates performance against each of the measures. Personal performance achievement for executive directors was in the range of 8.06% to 17.05% (17.05% in respect of the Deputy CEO).

Vision: strategic pillar	Corporate performance measure	Weightings for maximum (as % of salary)	Target	Pay out %
Secure	Keeping the Society financially resilient	3.34%	<ul style="list-style-type: none"> <li>■ Maintain a strong capital position</li> <li>■ Maintain an effective level of liquidity above internal and regulatory limits</li> <li>■ Achieve a resilient level of profitability</li> <li>■ Balance the risk-reward equation in lending choices</li> </ul>	3.34%
Customer centred	Safely keeping the Society operating for the benefit of our members	3.33%	<ul style="list-style-type: none"> <li>■ Prioritise the safety and wellbeing of colleagues and members</li> <li>■ Prepare the Society for the post-crisis world, ensuring we are future facing (people, products, process, technology)</li> <li>■ Support our members, particularly as they face financial difficulty</li> <li>■ Keep the business running and seek to enhance operational resilience</li> <li>■ Appropriately balance savings and mortgage members' interests</li> </ul>	3%
People	Informing and engaging colleagues and customers	3.33%	<ul style="list-style-type: none"> <li>■ Ensure colleagues remain informed and engaged</li> <li>■ Keep our members and brokers informed and maintain trust and customer satisfaction across all channels</li> <li>■ Provide robust service to our intermediary partners</li> </ul>	3.19%

#### Notes

The corporate measures only apply to the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The Deputy Chief Executive Officer is responsible for a control function, and, therefore, is remunerated on personal objectives only.

### Pensions and other benefits

A J Greenwood is a deferred member of the defined contribution section of the pension scheme and has opted for a cash allowance in lieu of the Society's pension contribution. R G Fearon and A P Conroy opted to receive pension benefits as part contributions to the defined contribution section of the pension scheme and part cash allowance, in lieu of the Society's pension contribution. R J Howse has opted for a cash allowance in lieu of the Society's pension contribution.

No executive director has the right or opportunity to receive enhanced benefits beyond those already disclosed, and the committee has not exercised its discretion during the year to enhance benefits.

Executive directors may be entitled to receive compensation for loss of office. Such payments will be based on the monthly salary and pension contributions that the executive director would have received if still in our employment.

## Directors' remuneration report

### Long-term incentive awards made in the financial year

There were no long-term incentive awards made in the financial year.

### Payments for loss of office

There were no payments for loss of office made in the financial year.

### Payments to former directors

A payment of £12,653 has been made in 2021 to P A Hill, the former Chief Executive Officer, who retired on 30 June 2019. A payment of £8,531 has been made in 2021 to R S P Litten, the former Chief Financial Officer, who left the Society on 18 April 2019. A payment of £26,877 has been made in 2021 to K R Wint, the former Chief of Staff, who left the Society on 31 January 2020. The bonus payments consisted of deferred incentive awards, which are assessed in full when they are awarded. All these payments were subject to risk assessment and the Committee determined no risk adjustment was required.

### Remuneration for non-executive directors

The fees for non-executive directors are made up of a basic fee, plus a committee chair fee, as appropriate. The Chair does not receive additional fees for roles carried out other than that of Chair.

Non-executive directors	Basic fees (£'000)		Benefits <sup>(1)</sup> (£'000)		Committee chair fees (£'000)		Total (£'000)	
	2021	2020	2021	2020	2021	2020	2021	2020
I C A Cornish <sup>(2)</sup>	154	127	1	0	–	–	155	127
R J Ashton (previous Chair)	–	40	–	1	–	–	–	41
G J Hoskin (current Vice Chair)	51	51	0	1	24	24	75	76
A M Barnes	51	51	1	1	–	–	52	52
D Fisher	51	51	0	0	17	17	68	68
N A Fuller <sup>(3)</sup>	51	4	1	0	–	–	52	4
J A Hunt <sup>(4)</sup>	15	51	0	1	–	–	15	52
P A Jenks <sup>(5)</sup>	–	12	–	0	–	–	–	12
L R McManus	51	51	1	1	11	11	63	63
A Tadayon <sup>(6)</sup>	13	–	2	–	–	–	15	–
<b>Total</b>	<b>437</b>	<b>438</b>	<b>6</b>	<b>5</b>	<b>52</b>	<b>52</b>	<b>495</b>	<b>495</b>

#### Notes

- (1) In addition to the payment of fees, non-executive directors are reimbursed for travel expenses for attending meetings and, where tax liability arises, this will be covered by the Society.
- (2) This director became Chair on 3 April 2020.
- (3) This director was appointed on 1 December 2020.
- (4) This director retired on 15 April 2021.
- (5) This director retired on 26 March 2020.
- (6) This director was appointed on 22 October 2021.

Non-executive directors (including the Chair) did not receive an annual pay or fee increase in April 2021.



# Why your vote matters

Your vote not only shapes the way the Society will be run, but because we're a mutual, we also believe when people help people, good things happen.

Because of this we're guided to do the right thing, be it good ethical practices, doing our bit for the environment or supporting local communities.

**That's why with every single vote received in this year's AGM, we'll donate to the causes we help support.**

## How your vote directly benefits communities

**We'll donate 25p for every online vote, and 15p for each postal vote.**

Once you've cast your vote, you'll be asked to choose where the money goes – Dementia UK or Leeds Building Society Foundation.

If you're unsure which charity to pick, don't worry. You can leave the boxes blank, and we'll split the donation equally between both good causes.



**Leeds Building Society**  
Foundation

Leeds Building Society Foundation makes donations of up to £1,000 to UK-based charities supporting those who are disadvantaged or in vulnerable circumstances. Since 1999, it's made more than 3,000 donations to local projects and good causes across the UK.

[leedsbuildingsociety.co.uk/your-society/about-us/foundation/](https://leedsbuildingsociety.co.uk/your-society/about-us/foundation/)



**DementiaUK**  
Helping families face dementia

Dementia UK became our national charity partner in 2020 – as voted for by you and our colleagues. The charity provides specialist dementia support for families through its Admiral Nurse service. Our goal is to raise £500,000 for Dementia UK by 2024.

[dementiauk.org](https://dementiauk.org)

# Ways to get involved



## Ask a question

You can ask a question ahead of the AGM by email or post.

Email: [agm@leedsbuildingsociety.co.uk](mailto:agm@leedsbuildingsociety.co.uk)

Post: **Secretary, Leeds Building Society,  
26 Sovereign Street, Leeds,  
LS1 4BJ.**

You can also submit a question in any of our branches.

Members in attendance at the AGM will have the opportunity to ask questions during the meeting, and we'll respond to all other questions directly, including questions received after the AGM.

For the quickest response, it's best to email your question.

We'll also provide a selection of themed frequently asked questions on our voting website which you can view before you vote: [leedsbuildingsociety.co.uk/voting](https://leedsbuildingsociety.co.uk/voting)



## Let's keep the conversation going

As a mutual, our members are at the heart of every decision we make, so it's important we're always listening to what you have to say, all year round. We'd really like your AGM 2022 vote to be just the start of an exciting, ongoing conversation between us.

### Get involved by:

- Submitting a question
- Signing up to our newsletter at [leedsbuildingsociety.co.uk/newsletter](https://leedsbuildingsociety.co.uk/newsletter)
- Sharing your views through TalkingPoint
- Interacting with us on social media

[leedsbuildingsociety.co.uk](https://leedsbuildingsociety.co.uk)

 [leedsbuildingsociety](https://www.instagram.com/leedsbuildingsociety)

 [LeedsBS](https://twitter.com/LeedsBS)

 [LeedsBS](https://www.facebook.com/LeedsBS)

[leedsbuildingsociety.co.uk](https://leedsbuildingsociety.co.uk)

 [leedsbuildingsociety](https://www.instagram.com/leedsbuildingsociety)

 [LeedsBS](https://twitter.com/LeedsBS)

 [LeedsBS](https://www.facebook.com/LeedsBS)



**Leeds Building Society**

