



# Annual General Meeting 2024

Thursday 25 April





# Welcome

Louise Pryor  
Chair



# Board of Directors



**Giovanni D'Alessio**



**Andrew Gold**



**Jaedon Green**



**Gareth Griffiths**



**Louise Pryor**



**Kerry Mashford**



**Vince Smith**

# Annual General Meeting Agenda

- **Chief Executive's Review of the Year 2023**
- **Accounts for the year ended 31 December 2023**
- **Introducing your Directors**
- **Members' vote on Ordinary Resolutions and Election and Re-election of Directors**
- **Ask the Directors**
- **Voting Results**
- **Our Purpose**



# Review of the Year 31 December 2023

Gareth Griffiths  
Chief Executive Officer



# 2023's Key Highlights



- Ecology delivered a good performance, healthy profits and stable levels of lending, despite the challenging market conditions.
- We invested that profit into Member value and ongoing improvements in service to benefit our current and future Members.



- We grew our total mortgage asset balances, retained more borrowers at the end of their builds and supported 310 ecological homes and community projects.
- In a rising rate environment, we've supported our Members by raising rates for our savers while moderating rates for our borrowers.



- We're progressing - on time and on budget - with significant planned investment to modernise our systems and technology.
- These major changes will improve our service to Members and set us for sustainable growth so we can deliver greater impact and remain relevant into the future.

# Review of the year



- We continue to invest in our people and the skills we need to ensure Ecology can continue to make a difference and deliver on our mission to build a greener society.
- Like all businesses in our sector, we must respond to growing regulatory demands and maintain and upgrade our systems to make sure we operate safely and securely, protecting Members' money and data.



- Money from our savers is essential to fund our impact-led lending and we want to keep on attracting new savings Members.
- In 2023 we reviewed our entire product range and have begun making improvements to how you can open and operate your accounts with us. We've added new savings products this year to complement our existing range.



- We will be launching further new mortgage products later this year so we can help more borrowers.
- We've brought together our in-house and partnership expertise about retrofitting to create useful new content for homeowners at all stages of this journey.

# Review of the year



- Independent research we commissioned found almost three-quarters of consumers (74%) want their savings to have a positive impact on the environment and society.
- We've added a new tool on our website — See Where Your Money Goes — to show how we're using your savings to create new homes and support communities.



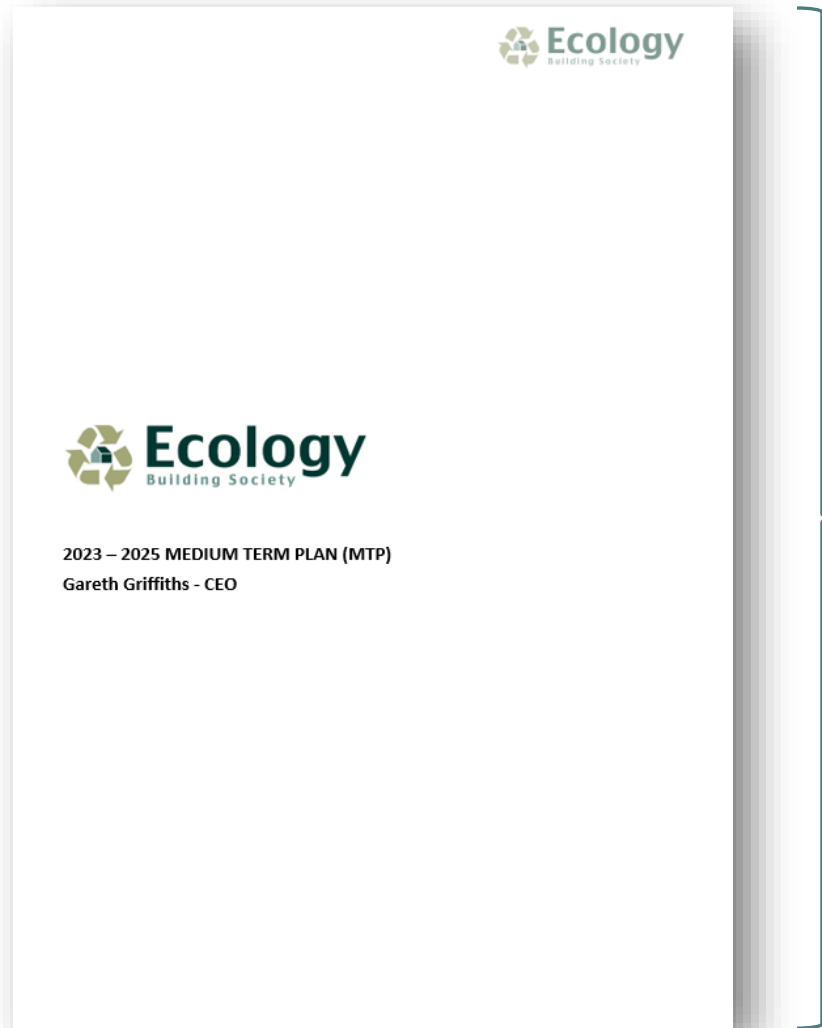
- Ecology is on its own journey to net zero and we'll continue to share what we've learned to support our Members, colleagues and peers as they strive to cut their own carbon emissions.
- We're progressing with our net zero transition plan and will be able to share this with Members soon.



- We must evolve as our Members' expectations change so can carry on providing them with excellent service and the products they need.
- Ecology still stands for the same principles upon which we were created - our restated Purpose will guide us as we enter the next phase of our history and keep delivering on our mission as a triple bottom line business for generations to come.



# MTP – 2024 Update



Strategic Activity	Deliverable	Owner	Status
Product Range Review	Define the future product set, both on sales and off sale	CFO	Yellow
	Optimise pricing	CFO	Red
	Create more facilitative terms and conditions	CFO	Red
Transformation Programme	People capability improvement	COO	Yellow
	Digital transformation	CEO/CFO	Green
	Data transformation	CEO	Green
Project Pedley	Define our impact	CEO	Yellow
	Net Zero plan and delivery	CEO	Yellow
	Define our partnerships for the decade	CEO	Yellow
	Capital working group	CFO	Green



# Financial Performance 2023

Christopher White  
Chief Financial Officer

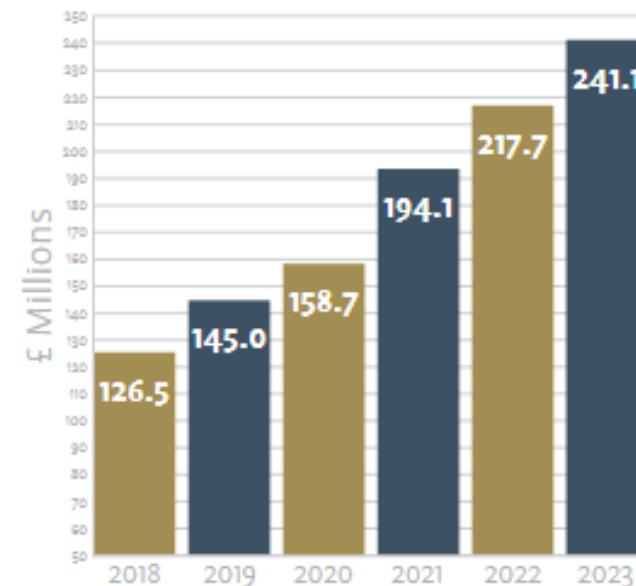


# 2023: Assets and Profitability

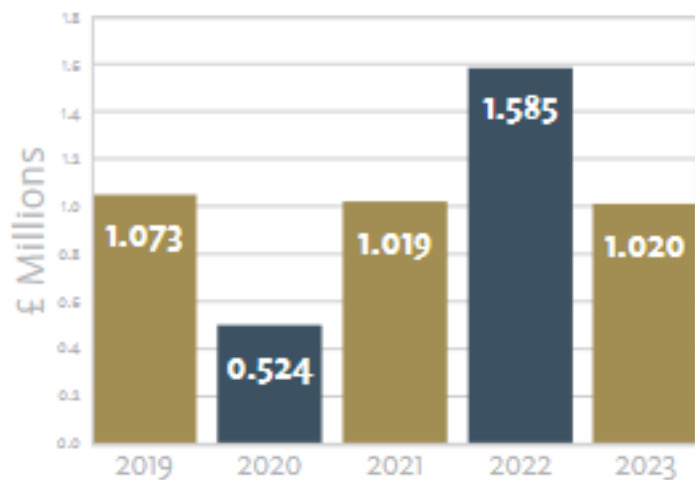
## Assets

- 6-year positive trajectory for the Business on mortgage lending
- People want what we offer as a business
- This compares favourably to lots of our peers

Mortgage Assets (£m)



Net Profit (£m)



## Profitability

Profit lower than 2022 while we invest in the business including:

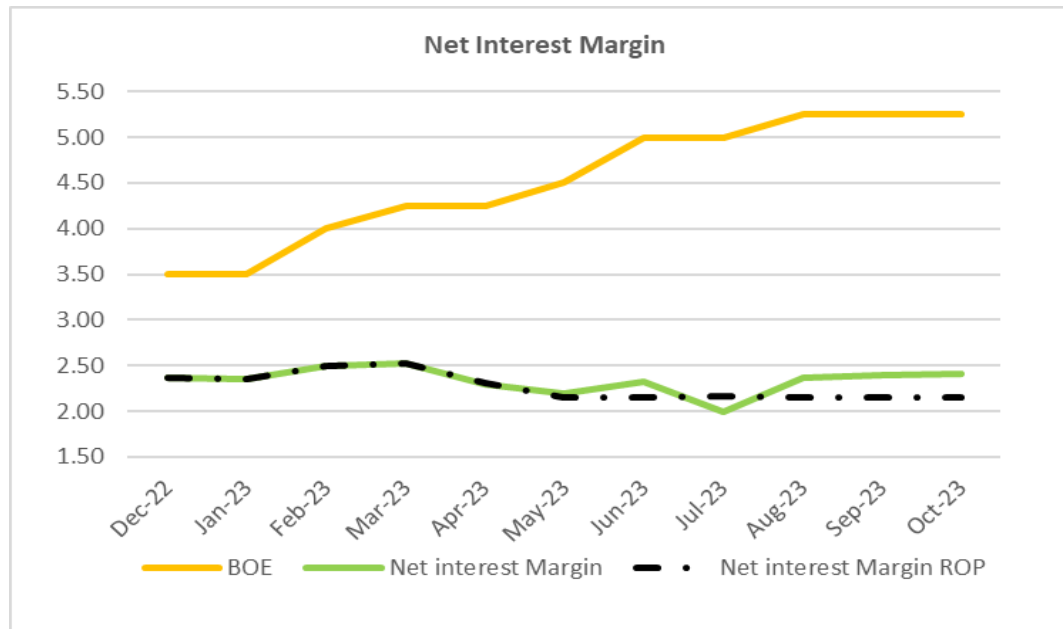
- ✓ new colleagues to support the Society's growth
- ✓ Transformation costs
- ✓ One-off projects (i.e. data, IT infrastructure)
- ✓ Impact of inflation

We expect our Cost base to remain high in 2024 as we continue the Core System Transformation Project.

# Margin Journey

## Margin

“ We’re proud to have passed on more rate increases to our savers than we have to our borrowers. ”



Bank Base rate increased significantly through the year from 3.50% to 5.25%

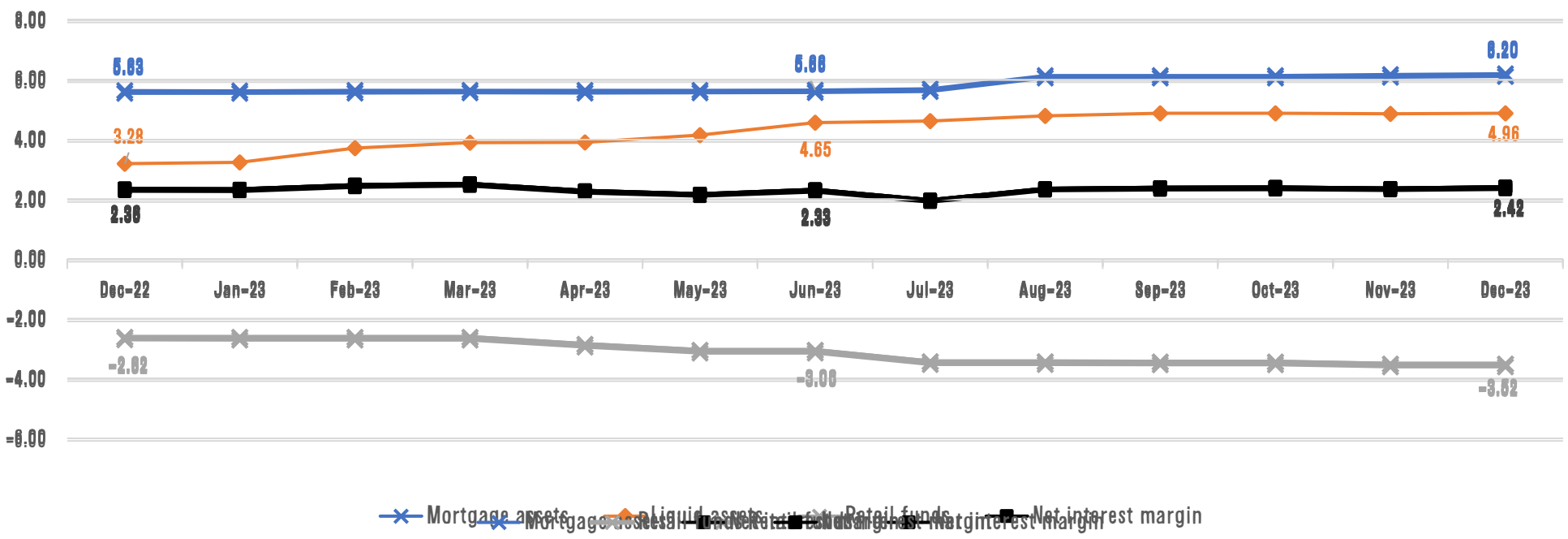
The Society however maintained a steady margin protecting its Members from increases in mortgage costs during a tough economic period and cost of living crisis

In fact, the Society was also able to increase the average rates it paid its savers during this period...

# Margin Journey

Margin

Ecology Margin through 2023



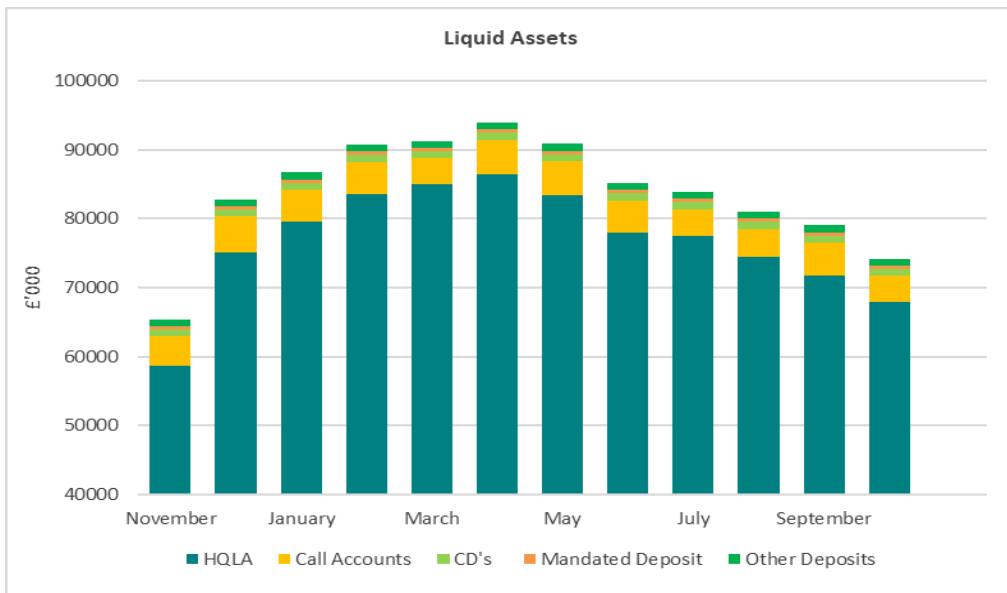
And mortgage income not increasing as much (by 57 bps)

Increased income from liquidity has 'paid' the balance (168 bps)

Margin has remained steady through 2023 (only increasing by 6 basis points)

This is despite the Society managing to increase the rate payable to its savers by 90bps (average)

# Liquidity & Capital



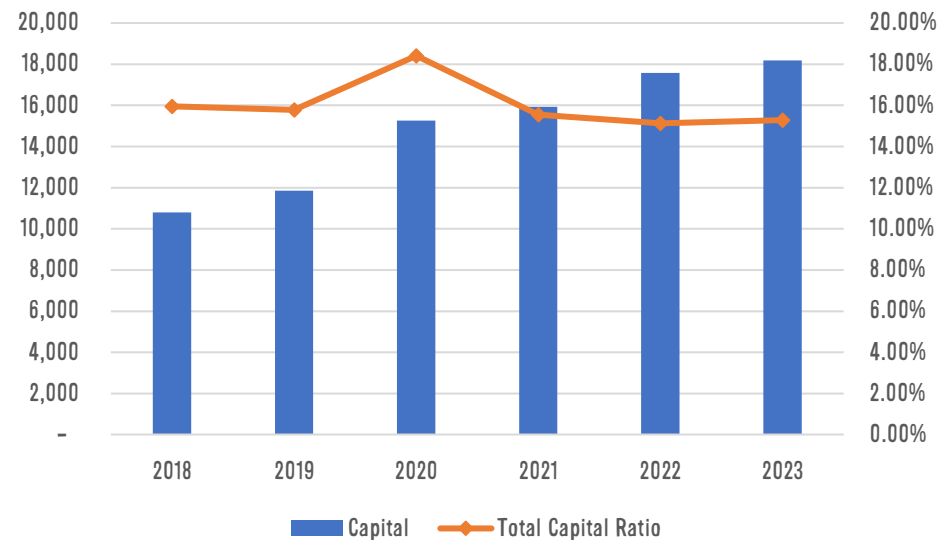
## Liquidity

The Society saw outflows from some accounts through the years as a result of a number of factors:

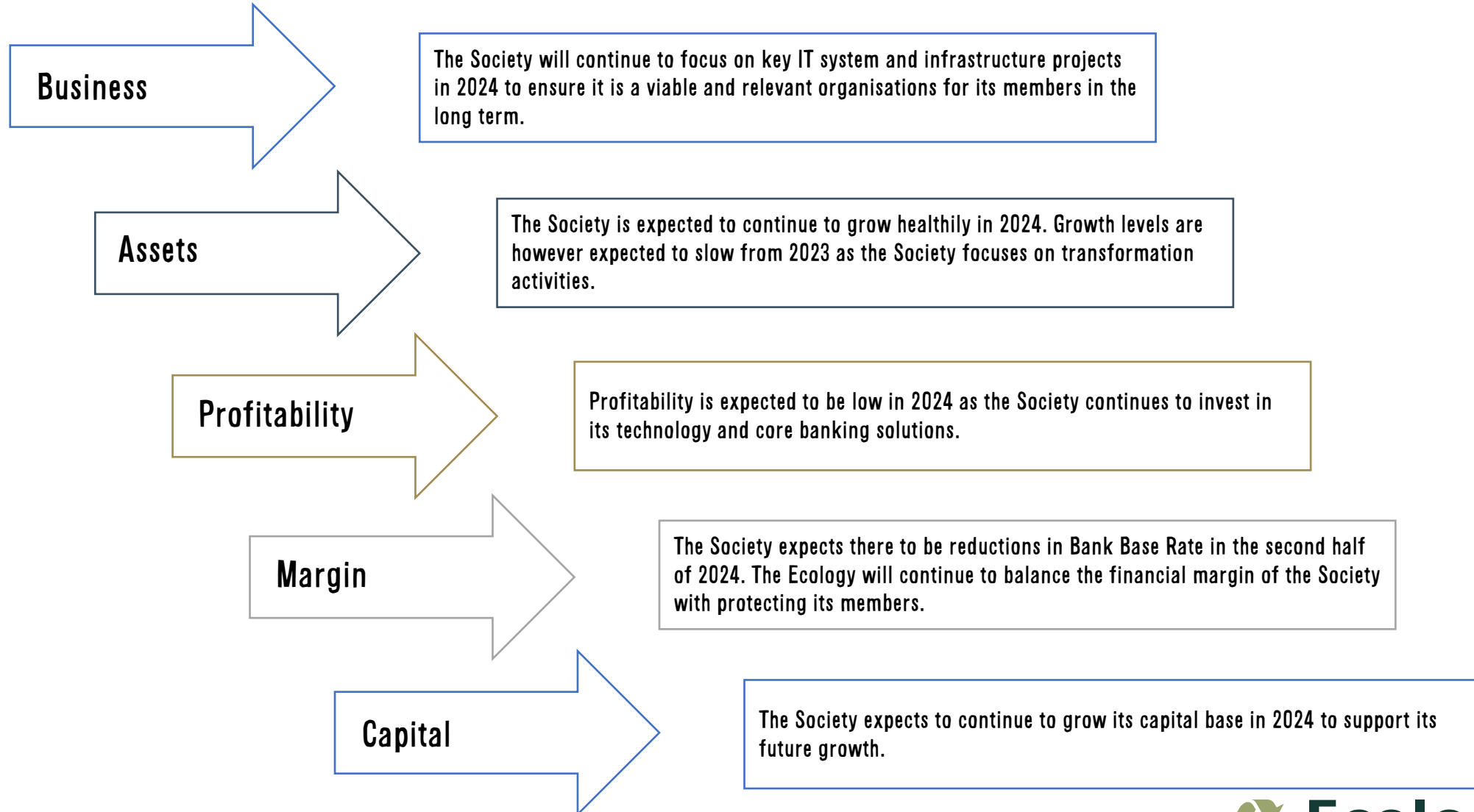
- A highly competitive retail savings environment
- A cost of living crisis meaning many of our Members needed to access savings

## Capital

The Society grew its capital in 2024 as well as improving its capital adequacy ratio (the ration between the capital it holds and the amount it agrees with the regulator it needs to hold)



# Our Expectations for the Year Ahead



# Any Questions?



# Annual General Meeting Agenda

- **Ordinary Resolutions**
  1. **To receive the Annual Report and Accounts for the year ended 31 December 2023**
  2. **To re-appointment BDO LLP as auditors**
  3. **To approve the Directors' Remuneration Report ended 31 December 2023**

# Board of Directors – standing for election



**Giovanni D'Alessio**



**Andrew Gold**



**Jaedon Green**



**Gareth Griffiths**



**Louise Pryor**



**Christopher White**



**Kellie Hargraves**



**Sameera Khaliq**



**Andrew Mulligan**

# Vote – Resolution 1



**To receive the Annual Report and Accounts  
for the year ended 31 December 2023**



# Auditors

**Andrew Gold**

Deputy Chair and  
Senior Independent Director



# Auditors

- We ask our Members each year at the AGM to authorise the reappointment or selection of a new auditor
- The Audit & Compliance Committee leads on recommending the auditor
- BDO, a medium sized firm became the Society's auditors for the first time in 2020 and have continued to worked constructively with the Ecology team since that time
- Having taken into consideration BDO's performance and mindful of Members' views, we are recommending their reappointment this year

# Vote – Resolution 2



**To re-appoint BDO LLP as auditors**



# Remuneration Report

**Andrew Gold**

Deputy Chair and  
Senior Independent Director



# Remuneration Report

- Committee remit and role in shaping remuneration policy across Ecology
- Remuneration policy aligns with Ecology's values, purpose and strategy
- Remuneration reflects skills, knowledge, responsibilities and performance
- Continuous commitment to fair pay for all
- Retained status as Accredited Living Wage employer
- Redesigned pay framework across Ecology, implemented April 2023
- Review and uplift of colleague pay levels based on external benchmarking



Ratio of higher basic salary to lowest grade as at 31 December 2023



# Remuneration Report



- 2023 saw further upward pressure on remuneration levels
- Policy evolution to support attracting and retaining required skills
- Review of a flexible benefits offering for all colleagues
- Board commitment to next periodic review of level of pay limit in 2024
- Assessing long term rewards approach for Executive Directors aligned to delivery of Ecology's 2030 strategy

# Vote – Resolution 3



**To approve the Directors' Remuneration Report  
for the year ended 31 December 2023**

# Election of Directors



Giovanni D'Alessio



Andrew Gold



Jaedon Green



Gareth Griffiths



Louise Pryor



Christopher White



Kellie Hargraves



Sameera Khaliq



Andrew Mulligan

# Vote – Resolution 4.1



To re-elect  
Giovanni D'Alessio



# Vote – Resolution 4.2



To re-elect  
Andrew John Gold



# Vote – Resolution 4.3



To re-elect  
Karl Jaedon Green



# Vote – Resolution 4.4



To re-elect  
Gareth Charles Griffiths



# Vote – Resolution 4.5



To re-elect  
Louise Margaret Pryor





# Vote – Resolution 4.6



To elect  
**Christopher Ben White**



# Vote – Resolution 4.7



To elect  
**Kellie-Ann Hargraves**



# Vote – Resolution 4.8



To elect  
**Sameera Kauser Khaliq**



# Vote – Resolution 4.9



To elect  
**Andrew Kyle Mulligan**





# Ask the Directors



# Voting results

# 40 years a start-up

## Now it's time to be an upstart



Ecology's first HQ - the start!



Silsden HQ under construction



Ecology Building Society 2024

# Purpose

The definition of a Company's core reason for being and its resulting positive impact in the world.



Our north star







Research and workshops with:

- Our Founders
- Our Members
- Our Colleagues

# What we heard

Lead by  
example

We believe that  
ethical finance  
can create a  
more sustainable  
world

because you  
shouldn't need to be  
a billionaire  
to afford  
sustainability

If we don't,  
no one else will



**Ecology**  
Building Society



## OUR PURPOSE

**In a world that doesn't add up, daring to be different is our calling, lending our power so everyone's story gets a chance to thrive.**

In a world that doesn't add up, daring to be different is our calling, lending our power so everyone's story gets a chance to thrive.

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In the world of finance, big corporations greenwashing etc.

◆  
53 “Green” Mortgages — rewarding EPC C+.

◆  
Inequality and fairness in society

◆  
This is a direct acknowledgment of our ‘Vision’.

In a world that doesn't add up, daring to be different is our calling, lending our power so everyone's story gets a chance to thrive.

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**Our building society was born from a need to make a difference.**



**We're not just choosing, we're compelled to act.**



**We need to be brave in challenging the status quo.**



**This helps support our agitation for change.**



**We have to remember we have to be a great building society.**

In a world that doesn't add up, daring to be different is our calling, **lending our power** so everyone's story gets a chance to thrive.

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**We're a lender, it's in our DNA.**



**More importantly, our collective power can help drive wider change and so we are lending our power.**

In a world that doesn't add up, daring to be different is our calling, lending our power so everyone's story gets a chance to thrive.

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In a 'just transition' everyone's story deserves to thrive.



We can't guarantee success for everyone, but we'll be damned if we're not going to fight for that chance.



By helping your stories thrive, the building society thrives.



# What's next?

# Purpose-led:

In a world that doesn't add up, daring to be different is our calling, lending our power so everyone's story gets a chance to thrive...

...so that we can impact people and planet who benefit from:



Homes with good ecological performance



Sustainable communities



A fair and sustainable economy

...through a strategy of:



Impact-led products and services



Collaboration and knowledge sharing



Agitation for change

# Values driven:

Collaboration — Responsibility — Fairness —  
Activism — Openness



# Any Other Business



# Closing Comments

Louise Pryor  
Chair



# Closing comments

**Thank you for joining us today and helping us to shape our future**

Please email [agm@ecology.co.uk](mailto:agm@ecology.co.uk) if you have any further questions  
for our Directors or the Ecology team