

# Annual Members' Review 2025



**Saffron**  
Building Society

For years  
to come...



The Society's coat of arms was designed by H. Ellis Tomlinson, the then Heraldic Advisor to the Building Societies Association, and granted by the Kings of Arms in 1983.

Amongst the symbols featured are three saffron flowers signifying the town of Saffron Walden, Saxon swords from the shield of Essex and a castle tower symbolising an 'Englishman's home'. The shield itself represents security, and the brick masonry design shows our role as a building society.

The coat of arms is a proud reminder of our heritage and still reflects our commitment to serve members and local communities for years to come.

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# Our 2026 AGM

## Why is the AGM important?

As a Member, you part-own the Society and it is run on your behalf by the Board and Executive. So the AGM is your chance to hear how your Society has been performing and ask any questions. You can also vote for Board members. We encourage as many as possible of you to attend, please see the opposite page for information on the arrangements for this year's meeting.

## How do I vote?

There are a number of options - you can choose the method that suits you best, and for every eligible vote cast the Society will donate £1 to the Saffron Community Fund.

1. You can vote in person at the AGM. Just come along to the meeting with proof of your membership (e.g. passbook or statement).
2. If you've registered to receive your AGM notice by post, you'll receive a ballot paper with a return envelope. Complete your vote and return by post, ensuring it reaches us no later than Friday 17th April 2026. Alternatively, hand your envelope into any of our branches by close of business on Monday 21st April 2026.
3. You can vote online in advance of the AGM using the Online Voting Codes contained on your paper ballot or the AGM notice email we send you (if you're registered for digital AGM communications). Visit [www.saffronbs.co.uk/agmvote](http://www.saffronbs.co.uk/agmvote) and cast your vote by midnight on Monday 21st April 2026.
4. You can join the AGM live online (see opposite page for details). You'll need your Online Voting Codes printed on your ballot paper or contained in the email we send you. The system will prompt you when it's the right time to vote.

## How do I submit questions?

There are two ways to submit questions to be answered at the AGM.

1. We encourage you to ask questions before the AGM to ensure that we can give you the best answer possible. You can submit questions on the form provided when registering your attendance. Answers to these questions will be provided at the AGM.
2. Ask questions at the AGM, either in person or by joining the meeting live online. Please note, we may not be able to answer all questions on the day and may need to answer your question after the AGM.



# Come to our AGM at Duxford

Following the positive feedback received last year, we're once again holding our AGM in person at the Imperial War Museum Duxford. You can also join the meeting virtually online.

More details on both options are below, and you'll find a full copy of the AGM notice on page 22.

However you choose to join us, we look forward to seeing you at this important event.

## **Come to our AGM in person**

The AGM will be held on Friday 24th April 2026, in the conference facilities at IWM Duxford. The museum is conveniently located in our heartland and close to many of the towns and villages served by our branch network. To register your attendance, please complete the registration form that will be emailed to you, call us, or speak to us in branch and we will complete the registration for you. As part of the event, we are offering Members a complimentary 1 hour visit to the Duxford museum prior to the AGM.

If you wish to visit the museum (which is optional), the event schedule is as follows:  
Arrive: 12 noon | Light lunch: From 1.30pm | AGM: 2pm

If you do not wish to visit the museum (which is optional), please join us by 2pm, at which time the AGM will start.

Places at the event are limited, so please ensure you do register to avoid disappointment. Once your place is confirmed by us, we will share further information with you.

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## **Join our AGM virtually**

You can also join the meeting online. The online platform will allow you to watch the AGM, submit questions for the Board to answer in real time and cast your vote. To join the AGM please go to <https://attend.cesjoinin.com> and enter the **meeting ID 30429** and your online voting codes, which are printed on your paper form or contained in your AGM email. We recommend you join at 15 minutes before the start of the meeting. Remember to keep your personal voting codes safe until the meeting as you will need them to log in on the day of the AGM. For more information please visit [saffronbs.co.uk/AGM2026](https://saffronbs.co.uk/AGM2026)



## Chair's Welcome

Mark Preston, Chair

### Welcome to Saffron Building Society's 2025 Annual Report & Accounts.

The Society performed well over 2025, achieving a record year of mortgage lending, growing savings balances by over £100m and continuing to offer high levels of service and support to you, our members.

In my report last year, I explained that I had been impressed by the energy and focus of Saffron colleagues to deliver excellent service. I also outlined the changes that I had made to the Board to support the ongoing success of the Society into the future. One year on, the Board and Management team have come together to set out the journey of transformation that the Society will navigate through 2026 and beyond.

Many of the foundations that support this degree of change have already been laid. The management team

have completed a detailed assessment of the change to be delivered, and additional resource has been brought into the Society to support this, including the appointment of a Chief Transformation Officer.

Over 2026, the Society will further invest in its banking systems to ensure that we can continue to offer members and Brokers the service and speed that you demand, whilst ensuring that we continue to provide the personal service that you enjoy. As member, customer and broker expectations develop, it is likely that enhanced investment in digital platforms and services will become a consistent theme over future years. Whilst digital transformation is vital, we also recognise that many of our members continue to value the in person contact that they have with the Society. I was therefore delighted that the Society has opened in Braintree, its first new

branch in over ten years and the first that we have co-located in partnership with Essex libraries. We will be monitoring the success of this venture to determine whether we expand this partnership further in years to come.

Trading conditions in 2025 were as tough as we anticipated they would be. Competition for mortgage lending, coupled with reductions to Bank Base Rate, meant that market mortgage rates reduced faster than market savings rates, which were propped up by firms needing to raise additional funding to repay the Bank of England TFSME scheme introduced during the pandemic, and more recently by speculation regarding Cash ISAs.

These conditions put downward pressure on margins, but despite this, the Society delivered an underlying profit before tax of £3.8m for the year. Statutory profit before tax of £0.3m was depressed by a combination of generally timing related accounting adjustments that are outlined in the Summary Financial Statement.

As Colin, our CEO, outlines in his report, it is highly likely that trading conditions will become more challenging, the result of increasingly fierce competition in an economic environment that will likely remain difficult. Alongside this, the Society must continue to invest and develop in capabilities that are increasingly demanded by customers in the market that it serves. The combination of external headwinds and pressures to transform the business will place additional financial pressure on the

Society and indeed on other firms competing in this sector. The Society has a robust strategy to navigate these headwinds, and the Board will be supporting the Management team and overseeing execution of this strategy.

I wish to share my thanks to our CFO Maurice Mills who, following a period of illness, decided to step down from the Board to spend more time with his family. Maurice joined the Society in 2017 and made a huge contribution to the Finance team and wider Society, progressing to the role of CFO in 2023. With Maurice stepping back, we've been fortunate to welcome Lara Banjo as our interim CFO and I am pleased that she has agreed to be appointed permanent CFO from 1 January 2026. I would also like to share my thanks to Jaz Saggi, who is stepping down from the Board at the AGM.

I would like to take this opportunity to extend my heartfelt thanks to all our members for their unwavering support and trust in the Society. Your continued loyalty and engagement are the cornerstones of our success, and we remain committed to serving you with excellence in the years to come.

Mark Preston  
*Chair*



## CEO's Report

Colin Field, CEO

During 2023, the Society developed a strategy entitled 'For Years to Come', which encompassed members, colleagues, community, and our broader environment. In last year's report, I outlined the progress made and 2025 has seen further delivery on this strategy. Key projects have included expanding our branch network to meet our members' needs, developing new products for our mortgage customers and building the technical resilience of the Society.

Our members are the most important people in the Society's business model and every decision that we take is made with our members' interests in mind. I want to emphasise our unwavering commitment to providing exceptional service to our members which is reflected in member satisfaction reaching an amazing 97.9% in 2025, up from 89.4% in 2024. Members have particularly told us how much they value our customer service

and branch environment. During the time that I have been at the Society, my colleagues always aim to help members achieve their goals and this has translated into the purpose and vision of 'money-happiness' that has been a focus of the Society for a number of years.

Saffron is renowned for offering good value and excellent personal service: in 2025 the Society paid an average savings rate of 0.51% higher than market average, equating to £7.6m, creating value for our members, and was rated Excellent on Trustpilot.

During June, we ran our third Members' Month where we invited our members to take advantage of various activities and initiatives designed to reward them for their loyalty to Saffron. This included prize draws, branch events, a celebrity Tea Party hosted by Channel 5's Dan Walker, and a regular savings account paying 8% gross p.a./AER.

Being a mutual, our community is a fundamental part of our culture and, 176 years after being founded by the Reverend John Marten, the Society is still an integral part of the regional community. Over the past year, our colleagues have volunteered more than 2,000 hours for good causes in their communities, a contribution that we are looking to continue to grow in 2026.

Our Community Link, was used for 1923 hours by charities, not-for-profit and community groups during the year, allowing them to focus their resources on supporting the causes they hold dear. We have surpassed £1m in our endowment fund with Essex Community Foundation. The Saffron Community Fund is now poised to provide approximately £50,000 in community grants each year, in perpetuity.

As a financial services business, we are committed to sharing our financial expertise with the community and have continued to grow the provision of financial education through our long-standing partnership with Wizeup with delivery to 10 local schools over the year. Additionally, we have partnered with Money Ready in Essex to support financial education for young people leaving care, a group that often slips through the net of financial education provision.

Although most of our members are savers, we also continue to support our mortgage members with their service needs and help if their circumstances change. All our mortgage members

have been introduced to us by their mortgage broker or financial advisers, and we continue to make improvements to our service to this group. We regularly seek feedback from our brokers and satisfaction ratings increased to 89% in 2025 with brokers highlighting improved communication as a key driver of this.

The whole Society was thrilled to once again win Mortgage Provider of the Year at the MoneyAge Awards as well as Mortgage Lender of the Year at the Mortgage Introducer Awards and Specialist Lender of the Year at the Mortgage Awards. On the savings side, we were very proud to receive Best Children's Savings Provider at the Personal Finance Awards, underlining our commitment to helping young people get a good start with their own money happiness.

The Society has continued to trade well over the year growing both mortgage and savings balances. Competition for savings has driven up rates during the year as many financial institutions have sought to raise funding from savers to repay government lending. These elevated rates are expected to continue into 2026. Competition for mortgages has driven down rates during the year and both these factors, whilst positive for members, has resulted in margin compression for the Society.

Inflation, whilst slowly reducing, is still higher than Bank of England targets putting further pressure on the prices that consumers, and the Society, must pay. All our costs have

increased including charges levied by third parties, employment costs that have increased to maintain real wages, and higher taxation rates, in particular employers' national insurance.

Arrears and consequent impairment continue to track at a low level. Inflation has continued to track above target, due to the impact of macroeconomic factors such as global conflicts and the imposition of further tariffs by the US Government. Despite the persistence of inflation, central bank and market rates have continued to reduce, and this has resulted in a reduction in the fair value of the Society's unmatched assets and liabilities.

Bringing all this together, whilst the underlying profit for the year has remained healthy at £3.8m, the statutory profit before tax has reduced to £0.3m.

### **Developments in the year**

We recognise that our members want a range of options of how to do business with us, whether that is at physical branch locations, online or over the telephone. Our branch network is important to all our members and, at a time when many of our competitors are reducing their presence on the high street, we opened a new branch location in the Braintree library. This project was completed in partnership with Essex County Council and will enable us to service our new and existing Braintree customers in this popular location. Further similar expansion opportunities are under consideration for future years. During the year we replaced and

expanded our data infrastructure and tools, which is a key project to enable the Society to better understand customer needs, improve decision making and develop better propositions for members. Additionally, we improved the technical resilience of the Society with the replacement and upgrade of infrastructure.

In total, we delivered 26 projects to improve service, meet regulatory compliance and improve internal capability. This activity underpins the development of our Society, and I want to thank all our colleagues involved.

### **The year ahead**

At the Society we remain cautiously optimistic. As a niche lender, we believe that we can leverage the momentum we have built to continue to grow our lending over the coming year. We also believe that we can continue to build our savings balances, supported by our expanding branch network and savings propositions. Despite this, we anticipate that the pressures we have seen on margins will continue as competition intensifies.

We will continue to develop our strategy and supporting business model, progressing our multi-year IT transformation under the governance of the newly formed Transformation Committee to ensure our systems remain fit for the needs of our members. This enables us to offer a greater range of products and the market, as well as providing and greater technical resilience.

The transformation includes partnering with the provider of the new origination platform, agreeing the implementation road map and delivering the first phase of change. We will complete the migration of our core banking platform to the cloud and upgrade to a newer version, enabling integration with other platforms. Our data hosting platform will be advanced to deliver richer business insights while decommissioning legacy data capabilities to reduce technical debt. Copilot, Microsoft's AI assistant, will also be rolled out as a structured change programme to safely drive productivity and operational improvement.

I hope that this report provides you with insight into what we are doing to develop your Society, and I would like to thank all my colleagues for their energy, skill, and commitment, as well as you as members, for your continued support.

Colin Field  
*Chief Executive Officer*

# Our Awards Cabinet

We are always delighted when our hard work is recognised by members and industry professionals. During 2025, we were thrilled to receive the following awards for our mortgage and savings products:

## MoneyAge



Mortgage Provider of the Year

## The Mortgage Awards



Specialist Lender of the Year

## Personal Finance



Best Children's Savings Provider

## L&G Mortgage Club



Best Small Lender - Up to £100m

## Mortgage Introducer



Mortgage Lender of the Year



# Your business savings are in the best place ...right?

**Don't bank on it.**

We understand that your business is unique, so if you feel like your bank isn't flexible enough to suit your needs – like offering competitive rates and a branch counter service – then you can count on us.

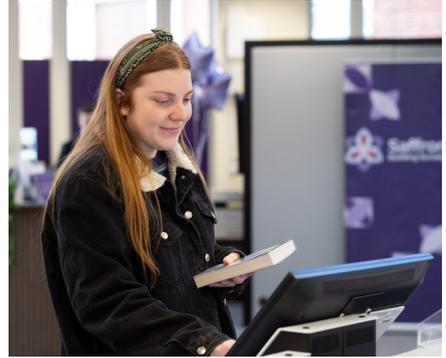
**Saffron Building Society. Reinventing savings for SMEs.**



**Saffron**  
Building Society

# Our New Branch at Braintree





Members consistently tell us how much they value the personal service they receive in our branches across Essex, Suffolk and Hertfordshire. Complemented by service available online, over the phone, by post and even by webchat and mobile app, we believe we offer one of the broadest choices of service channels for a building society of our size.

In 2024 we invested in a complete redesign of our Ware branch, bringing the beautiful high street building up-to-date for modern needs and creating a free Community Link space for use by local groups.

In 2025 we went further and opened a brand-new branch inside Braintree Library. In a first-of-its-kind for Saffron, the branch shares facilities with the local library whilst offering a full counter service and space for private discussions with our expert team. This innovative approach to face-to-face service supports local community facilities whilst helping ensuring investment in branches is sustainable for years to come.

We look forward to bringing our great service to more people in Braintree and the wider Essex region – come along to see our team (and borrow a book at the same time)!

Saffron Building Society in Braintree Library, Fairfield Road, Braintree, Essex.

[www.saffronbs.co.uk/braintree](http://www.saffronbs.co.uk/braintree)

# Save the appy way

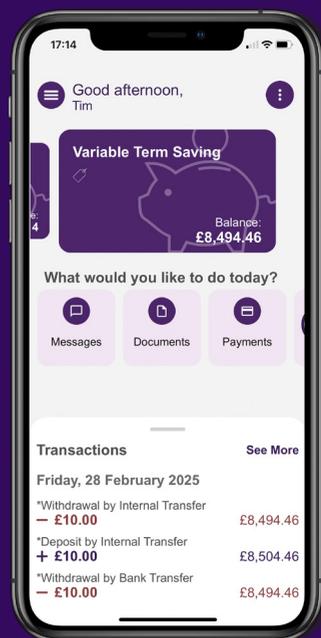
That's right, our mobile app is the happy way to save – you can manage your funds easily and at anytime you wish.

You're able to:

- Manage your accounts in one place
- Review the interest you'll earn in 12 months
- Make transfers and withdrawals
- Use single sign-on function

If you're unsure about how to set up our mobile app, please come and see us in-branch or call our contact centre on 0800 072 1100.

Once you're all set up, sit back and watch your savings grow.



# Meet the Directors



## Mark Preston – Chair

**Appointment:** August 2024.

**Experience:** Having graduated in 1983 Mark then joined Barclays Bank on a graduate training scheme and after that spent much of his career with various North American banks in senior investment banking positions, latterly being Chief Executive Officer for the Products and Markets Division of Lloyds TSB and Co-Head of the Bank's Corporate Markets.

Over the last 15 years he has performed various corporate workouts whilst taking on non-executive director positions in the mutual and private equity sectors.

Mark is also Chair of the governing council at the University of Kent.

**Committee Membership:** Board, Nominations Committee (Chair) and Remuneration and People Committee.



## Louise Wilson – Non-Executive Director

**Appointment:** October 2024.

**Experience:** Louise has 30 years' experience in HR, People, Culture, Operating Model, Purpose-led Leadership & Culture, Organisation Design and Development & Transformation across various global consumer brands, retail, omni-channel, aviation and multi-site services and people businesses. Her executive career includes CHRO/Global HRD with Clarks for 7 years and The Body Shop for 4 years. Her retail roots are grounded in the Marks & Spencer graduate training scheme, and her aviation experience with British Airways, Menzies Aviation, and Emirates (having lived and worked in Dubai for 3.5 years).

Louise is passionate about how people & culture contribute to the success of a business.

**Committee Membership:** Board, Risk Committee, Nominations Committee, Remuneration & People Committee (Chair)

**External Appointments:** Non-Executive Director at the Vertas Group, and A2 Dominion Housing, Board Trustee at Thames Reach Housing.

# Meet the Directors continued



## Angela Cha – Non-Executive Director

**Appointment:** October 2024.

**Experience:** Angela has been involved with the financial services (FS) sector for over thirty years. During her executive career as a solicitor and partner in city firm Pinsent Masons (and later as an independent consultant), she advised FS clients on complex change and transformation projects. On leaving the law, she continued her interest in the sector by becoming a non-executive director with a building society.

Angela is a strong supporter of the mutual sector and the role it plays in the financial ecosystem. Having spent a decade on the board of Bath Building Society as a non-executive (during which time she was also Chair of the Remuneration Committee, Deputy Chair and Senior Independent Director) she has extensive experience of the mutual sector. As a Board director at the Saffron, she is committed to playing a key part in supporting the Saffron team deliver its member-focussed strategy.

**Committee Membership:** Board and Audit Committee, Nominations Committee

**External appointments:** Non-Executive Director and Deputy Chair of the Conduct Committee at the Financial Reporting Council.



## Alexandra Hatchman – Non-Executive Director

**Appointment:** December 2024.

Alex is a seasoned professional who specialises in strategy and transformation. In addition to her work at Saffron, she is a Non-Executive at Mastercall and NHS Aqua, and a Board Director of the Teenage Cancer Trust in the North West. She is also a senior advisor to investment firms on M&A in the law.

As an executive, Alex was the CEO of two law firms. Prior to this, she spent more than a decade in retail working as an executive for Marks & Spencer in the UK and Coles in Australia. Alex started her career with Accenture, where she spent seven years advising clients.

Alex received a First Class Master's degree in Engineering from Oxford University in 1997 and an MBA from INSEAD in 2003. She completed the Strategic Leadership Executive Programme at Oxford in 2013 and received a Certificate in Innovation from Cambridge University in 2022.

In 2018, Alex became the first person to win the Law Society's Excellence in Practice Management Award, and in 2023 Alex was included in the North West Business Insider Professional Powerlist.

**Committee Membership:** Board, Board and Audit Committee, Chair of Transformation Committee.

**External Appointments:** Mastercall, NHS Aqua, Teenage Cancer Trust and M&A Advisor.

# Meet the Directors continued



## Caroline Cartellieri – Senior Independent Director

**Appointed:** September 2023.

**Experience:** Caroline is a seasoned C-level Executive with over 25 years' experience in retail, consumer goods and hospitality. Leveraging technology to optimise the customer experience, she brings deep expertise in digital transformation, marketing and business strategy. She holds a BSc (Econ) from the London School of Economics and an MBA from the Wharton School of Business.

Caroline is focused on improving Saffron members' digital experience and ensuring that the Society is equipped to keep up with the constantly evolving demands of technology.

**Committee Membership:** Board (Senior Independent Director), Remuneration & People Committee, Nominations Committee, Board Risk Committee and Transformation Committee.

**External appointments:** Non-Executive Director at Europ Assistance; Trustee of Asthma + Lung UK; Director of C-Squared Consulting Ltd; Non-Executive Director at Maisons Du Monde; Governor at the German School London.



## David Rendell – Non-Executive Director

**Appointed:** April 2020.

**Experience:** David has 40 years' experience in financial services across both consumer and corporate lending in the UK and across Europe. His executive career includes both risk management and business leadership roles within Lloyd's Banking Group (1988-2000) and GE Capital (2000-2016) where latterly he was CRO of the European Leasing division, Managing Director of the Green Financing division and CRO and Management Board Member of GE's Dutch bank, Artesia.

**Committee Membership:** Board, Board Risk Committee (Chair), and Audit Committee.

**External appointments:** None.

# Meet the Directors continued



## Robin Liffen – Non-Executive Director

**Appointed:** January 2021.

**Experience:** Following his early career in consulting and retail Robin has more than 25 years experience in senior financial services roles. He has held senior finance roles in Barclays Bank in its credit card and private banking businesses and has served in executive board positions at a number of building societies completing his executive career as CFO at Leeds Building Society.

Robin is passionate about the role of mutual building societies in the mortgage and savings market and is focussed on helping the Society grow its membership whilst maintaining its financial strength.

**Committee Membership:** Board, Board Risk Committee, Remuneration & People Committee and Audit Committee (Chair).

**External Appointments:** None.



## Jaz Saggi – Non-Executive Director

**Appointed:** September 2022.

**Experience:** Jaz has over 30 years' experience in financial services, with extensive expertise in data, digital and cultural transformation as an Executive, Main Board and INED, at Aviva, Benfield, GE Money, HBOS, NPG Wealth Management, Prudential, WTW and with PE-backed firms. He also held roles as an INED and Trustee with RiverStone Insurance Ltd, Network Homes Ltd, British Foreign Schools Society and Council Member of the British Heart Foundation, and previously held a visiting professorship in Digital Change Management.

**Committee Membership:** Board Risk Committee and Remuneration and People Committee.

**External appointments:** Independent Chairman of Watmos Ltd; Independent Non-Executive Director of A2 Dominion; Independent Non-Executive Director of BHSF Group Ltd, BHSF Management Services Ltd and BHSF Employee Benefits Ltd; and Independent Non-Executive Director and Member of Council at Cranfield University.

# Meet the Directors continued



## Colin Field – Chief Executive Officer

**Appointed:** April 2014.

**Experience:** Colin has held a number of senior finance positions with Barclays, Caudwell Group and Willis Group, having previously qualified with PwC. Colin is a Chartered Accountant (FCA). He joined the Board in 2014 as Chief Financial Officer before being promoted to Chief Executive Officer in September 2015.

**Committee Membership:** Board.

**External appointments:** Member of BSA Council.



## John Penberthy-Smith – Chief Commercial Officer

**Appointed:** January 2022.

**Experience:** John is a transformational leader with multi sector board experience. His expertise is connecting the people inside an organisation to those people (consumers) on the outside through propositions and service that make a difference. His executive career spans, retail, telecoms, consulting, public sector and financial services including senior roles at Dixons Stores Group, Vodafone, Three, Eircom and the Money Advice Service.

**Committee Membership:** Board.

**External appointments:** None.



## Lara Banjo – Interim Chief Financial Officer\*

**Appointed:** May 2025.

Lara Banjo is a strategic Chief Financial Officer and board level leader with more than 25 years of global experience in strategic financial leadership, finance transformation and regulatory compliance across banking, financial services, and innovation driven sectors. A Fellow of the Association of Chartered Certified Accountants and MBA graduate, she has held senior roles at major global institutions including HSBC Innovation Banking, Standard Chartered, Standard Bank and Credit Suisse.

**Committee Membership:** Board.

**External appointments:** Non-Executive Director and Trustee at the Chartered Institute of Procurement and Supply.

\*Lara Banjo will be our permanent CFO from 1 January 2026.

# Notice of the Annual General Meeting 2026

The 176th Annual General Meeting of the members of the Saffron Building Society will be held on Friday 24th April 2026 at Duxford Imperial War Museum at 2pm for the following purposes:

## Ordinary Resolutions

1. To receive the Directors' report, the annual accounts, the annual business statement and the Auditors' report thereon for the year ending 31st December 2025.
2. To re-appoint BDO LLP as Auditors until the conclusion of the next Annual General Meeting.
3. To approve the Directors' remuneration report for the year ending 31st December 2025.

## Election of Directors

4. To consider, and if thought fit:
  - (a) elect Lara Banjo
  - (b) re-elect Angela Fung Ngor Cha
  - (c) re-elect Mark Jeffrey Preston
  - (d) re-elect Maria Alexandra Hatchman
  - (e) re-elect Louise Elizabeth Wilson
  - (f) re-elect Caroline Beate Cartellieri Karlsen
  - (g) re-elect Colin Howard Field
  - (h) re-elect David Richard Rendell
  - (i) re-elect John William Penberthy-Smith
  - (j) re-elect Robin Stephen Patrick Litten

As Directors of the Society.

## By order of the Board.

Colin Field  
Chief Executive Officer  
6 March 2026

## Notes

1. These notes form part of the Notice of Meeting.
2. Under the Society's rules, a member entitled to attend the meeting and vote may appoint one proxy to attend and vote on his/her behalf. You may appoint the Chairman of the meeting or anyone else as your proxy, and your proxy does not have to be a member of the Society. Your proxy may vote for you at the meeting but only on a poll. A poll is a formal vote (which includes all valid proxies).
3. You may instruct your proxy how to vote at the meeting. Please read the instructions on the Proxy Voting Form.
4. The voting date is Tuesday 21st April 2026 if voting in person and Friday 17th April 2026 if voting by letter or online.
5. In order to attend and vote at the meeting, or to appoint a proxy, you must qualify either as a shareholding member or as a borrowing member (please refer to the voting conditions on the Proxy Voting Form).
6. In addition, you can only vote once as a member, irrespective of:

(a) the number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee), and

(b) whether you qualify to vote as a shareholding member and as a borrowing member.

If you appoint a proxy to vote on your behalf and your proxy does not attend the meeting, your vote will not be counted.

# Summary Financial Statement

This Summary Financial Statement is a summary of information available in the audited annual accounts, the Directors' Report and the Strategic Report, all of which will be available from our website, [saffronbs.co.uk](http://saffronbs.co.uk). If you need a physical copy of the Annual Report and Accounts, please e-mail [agm@saffronbs.co.uk](mailto:agm@saffronbs.co.uk) with your details, or contact us in branch or on the phone and we will post this to your address or to your nearest branch for collection, free of charge.

## Performance of Saffron

The Board is committed to balancing the needs of its members, whilst also investing in the Society to deliver excellent customer service and financial sustainability.

Although the 2025 economic environment continued many of the underlying themes of the second half of 2024, namely reducing inflation and interest rates amid geopolitical tensions, the first half of 2025 presented new global challenges in the form of tariff and trade wars.

The UK recorded the second fastest growing economy in the G7 in the first half of 2025. Higher National Insurance Contributions and stamp duty from April 2025 brought forward economic activity into the first quarter. Slower growth momentum in the remainder of the year was in part due to uncertainty and speculation over the fiscal measures in the later than usual budget. The IMF

nonetheless forecasts the UK's GDP growth to be the third highest amongst the G7 group of advanced economies in 2026, albeit at a rather subdued 1.3%.

Set against the backdrop of a struggling economy, the Society delivered a good financial performance in 2025. Total assets increased to £1,545m supported by growth of the mortgage book to £1,207m, and growth in retail funding to £1,357m that enabled the Society to repay the final £100m of its drawing from the Bank of England's Term Funding Scheme. Due to ongoing pricing pressures in both the mortgage and savings markets, the Society's net interest margin reduced to 1.88%, generating a net interest income of £28.5m. Underlying profit before tax for the year ended 31 December 2025 of £3.8m, represented a decrease year on year. However statutory profits after tax reduced due to the impact of fair value impacts reflecting the continued decline in Bank Base Rate, SONIA-linked derivatives and the Society's SVR.

## Mortgages

The Society achieved mortgage growth in 2025, with total loans and advances (net of impairment) increasing to £1,207m (2024: £1,178m). Gross lending for the year totalled £289.1m, up on the prior year and representing strong growth. The Society grew its mortgage book by £62m.

The arrears ratio, measured as loans greater than three months in arrears,

as a percentage of the total mortgage book, increased slightly to 0.64% at 31 December 2025 (2024: 0.67%). This is low by historical standards, reflecting the Society's continued focus on responsible lending and proactive borrower support and the income statement reflects a credit of £277k, that reflects returning strength of the wider UK housing market which has seen prices increase in 2025, albeit marginally.

### Savings

The Society's savings and deposits grew by £57m, reaching £1,432m at 31 December 2025 (2024: £1,375m). Retail funding performed strongly, contributing significantly to the Society's overall funding position despite fierce competition in the savings market. Savings growth was achieved across instant access and fixed term products, with growth also achieved from the refreshed SME and community propositions. The Society achieved this growth while carefully balancing the need to reward savers with higher rates against maintaining margins to support future investment in strategic priorities. The growth in retail funding allowed the Society to fully repay the final £100m of Bank of England Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises (TFSME) funding during the year.

### Liquidity and Capital

Through 2025, the Society increased its retail funding to facilitate the refinancing of the TFSME repayment to the Bank of England, while maintaining an appropriate level of liquidity. As of 31 December 2025, the Society's liquid asset portfolio totalled £319m (2024: £276m). The Society's principal measure of liquidity, high quality liquid assets

(HQLA) as a percentage of shares, deposits and liabilities stood at 22.3% (2024: 20.1%). This ratio reflects the level of immediately available funds to support the Society's liquidity needs. The Society remains focused on maintaining a strong and stable liquidity position.

The Society holds capital to protect members' deposits against potential losses from lending and other operational risks. After regulatory deductions, the Group's total regulatory capital decreased from £93.7m to £93.2m, primarily driven by the recognition of a defined benefit pension surplus of £1.5m and movement in assets available for sale of £0.9m.

A key measure of capital strength is the Common Equity Tier 1 (CET1) ratio, which reflects the relationship between our highest quality capital (accumulated profits and reserves) and our risk weighted assets. The Group's CET1 capital ratio (a key measure of financial strength) increased to 15.3% at 31 December 2025 (2024: 15.1%), demonstrating the Society's focus on profitable growth whilst maintaining risk controls and financial stability.

### Future Economic Outlook

Global uncertainty will likely persist in 2026, with the ongoing conflict in Ukraine and new tensions arising in the Americas and Middle East, including the ongoing use of trade tariffs to achieve political aims, impacting economies worldwide. In the UK, with the rate of decrease of inflation appearing to slow, coupled with subdued growth, the Bank of England have cautioned that future Base Rate decreases, from the current level of 3.75%, will be gradual and less than was experienced in 2025, and will be dependent on further reductions in

inflation.

The Society will continue to closely monitor key economic indicators that impact the housing market, particularly interest rates and inflation rates. These factors directly influence both the savings and mortgage markets, which remain highly competitive as more players enter niche mortgage sectors and savers seek better returns in a lower, albeit not low, rate environment. Despite the risks identified above, the Society's strong capital position ensures it is well positioned to deliver both necessary growth and investment to meet Member needs through 2026 and beyond.

Colin Field  
On behalf of the Board  
6 March 2026

# Summary Financial Statement

Results for the year	2025	2024
	(£000)	(£000)
	Group	Group
Net interest income	28,454	29,526
Other income and charges	(3,627)	(2,800)
Administrative expenses and depreciation and amortisation	(23,936)	(21,395)
<b>Operating profit before impairment losses and provisions</b>	<b>891</b>	<b>5,331</b>
Impairment (losses) / gains on loans and advances	(564)	277
<b>Operating profit</b>	<b>327</b>	<b>5,608</b>
(Loss) on disposal of property, plant and equipment	-	(7)
<b>Profit before tax</b>	<b>327</b>	<b>5,601</b>
Tax	(132)	(1,524)
<b>Profit for the financial year</b>	<b>195</b>	<b>4,077</b>

Profit for the financial year arises from continuing operations. Both the profit for the financial year and total comprehensive income for the period are attributable to reserves.

Underlying profit before tax of £3,801k (2024: £7,937k) is derived through the add-back of fair value movements totalling £3,474k (2024: £1,036k) and exceptional items of £nil (2024: £1,300k).

Statement of comprehensive income	2025	2024
	(£000)	(£000)
	Group	Group
Profit for the financial year	195	4,077
Available for sale reserve		
- Valuation gains/(losses) taken to reserves	1,189	(527)
- Amount transferred to income statement	-	4
Net actuarial (loss) / gain recognised in the defined benefit pension scheme	(58)	652
Tax relating to components of other comprehensive income	(281)	34
<b>Total comprehensive income for the period</b>	<b>1,045</b>	<b>4,240</b>

<b>Financial position at the end of the year</b>	<b>2025</b> (£000) Group	<b>2024</b> (£000) Group
<b>Assets</b>		
Liquid Assets	318,745	276,398
Loans and advances to customers	1,207,466	1,178,496
Fixed assets and other assets	18,599	25,494
<b>Total assets</b>	<b>1,544,810</b>	<b>1,480,388</b>
<b>Liabilities</b>		
Shares	1,221,693	1,121,099
Borrowings	210,667	254,096
Other liabilities	16,478	10,458
Subordinated liabilities	12,533	12,341
Reserves	83,439	82,394
<b>Total Reserves and Liabilities</b>	<b>1,544,810</b>	<b>1,480,388</b>

<b>Summary of key financial ratios</b>	<b>2025</b> Group %	<b>2024</b> Group %
Gross capital as a percentage of shares and borrowings (Note 1)	6.5	6.8
Liquid assets as a percentage of shares and borrowings (Note 2)	22.3	20.1
Profit for the year as percentage of mean total assets (Note 3)	0.01	0.43

# Summary Financial Statement of Financial Results

## Notes

1. The gross capital ratio measures the proportion that capital bears to shares and borrowings. Gross capital constitutes the reserves and subordinated liabilities shown in the Statement of Financial Position and includes the profits accumulated since the Society's formation. Capital provides a financial cushion against possible adverse market conditions in the future and therefore protects members.
2. The liquid assets ratio measures the proportion of the Group's shares and borrowings which are held in the form of cash, short term deposits and securities which can be readily converted into cash. Liquid assets are maintained at a level which enables the Group to meet requests from members for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.
3. This ratio measures the proportion which profit after taxation for the year bears to the average balance of the total assets for the year. The ratio is similar to a Group's return on assets. The Group needs to make a reasonable profit each year in order to maintain its capital ratios at a suitable level to protect members.
4. The ratio of management expenses as a percentage of average total assets measures the proportion which administrative expenses (including depreciation and amortisation) bear to the average balance of total assets during the year.

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

## Opinion on the summary financial statement

On the basis of the work performed, as described below, in our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and Directors' Report for the year ended 31 December 2025 of the Society and conforms with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

We have examined the Summary Financial Statement of Saffron Building Society ('the Society') for the year ended 31 December 2025 which comprises the Results for the year, the Statement of Comprehensive Income, Financial Position at the end of the year and the notes to the Summary Financial Statement.

## Basis for Opinion

Our examination of the Summary Financial Statement consisted primarily of:

- Agreeing the amounts and disclosures included in the Summary Financial Statement to the corresponding items within the full Annual Accounts, the Annual Business Statement and Directors'

Report of the Society for the year ended 31 December 2025, including consideration of whether, in our opinion, the information in the Summary Financial Statement has been summarised in a manner which is not consistent with the full Annual Accounts, the Annual Business Statement and Directors' Report for that year;

- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of Section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full Annual Accounts, the Annual Business Statement and Directors' Report for the year ended 31 December 2025.

We also read the other information contained in the Summary Financial Statement and consider the implications for our statement if we become aware of any

apparent misstatements or material inconsistencies with the full Annual Accounts, the Annual Business Statement and Directors' Report.

Our report on the Society's full Annual Accounts is unqualified and describes the basis of our opinion on those Annual Accounts, the Annual Business Statement and Directors' Report.

### **Directors' Responsibilities**

The directors are responsible for preparing the Summary Financial Statement, in accordance with applicable United Kingdom law, including the Building Societies Act 1986.

### **Auditor's Responsibilities**

Our responsibility is to report to you our opinion on the consistency of Summary Financial Statement with the full Annual Accounts, the 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.

### **The purpose of our work and to whom we owe our responsibilities**

This auditor's statement is made solely to the Society's members, as a body, and to the Society's depositors, as a body, in accordance with Section 76 of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members and depositors those matters we are required to state to them in such a

statement 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 and the Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

Timothy Lawrence (Senior Statutory Auditor)  
For and on behalf of BDO LLP,  
Statutory Auditor  
London  
6 March 2026

# Summary Directors' Remuneration and People Committee Report

## General Remuneration Principles

The main aim of the Remuneration Policy is to ensure the remuneration of all colleagues and executives is fair, reflects individual performance, skill, knowledge and competence and is competitive within the financial services market and building society industry.

The Remuneration Policy ensures that strategic objectives and delivery of the business plan can be achieved by attracting, motivating, rewarding and retaining people with the right skills and behaviours. It also promotes and encourages appropriate behaviours aligned with the Society's conduct, culture, values and risk management practices (avoiding incentives which could encourage inappropriate risk taking). Directors and some other key roles are designated as 'Code Staff' under the Regulator's Remuneration Code due to their material impact on the Society's risk profile.

The Remuneration Policy addresses the Corporate Governance Code requirements, and the Committee uses this to ensure that the implementation of the Remuneration Policy takes due consideration of the need for clarity, simplicity, risk, predictability, proportionality and alignment to culture and values.

Remuneration packages are comprised of basic salary, benefits, pension contribution and discretionary bonus payments. Bonus payments reflect both overall organisation performance and individual performance. The bonus scheme is subject to review at least annually and paid out only when affordable.

Remuneration is reviewed annually and considers market and economic conditions, employment competition and the Society's financial performance. The Committee reviews external market benchmarking data to determine appropriate compensation levels to ensure fairness across different roles and responsibilities in the Society.

The Committee is satisfied that the Remuneration Policy meets with the criteria of the Remuneration Code

## The Committee and its Work in 2025

The Committee has responsibility for approving the Society's:

- Remuneration policy
- People strategy
- Board Level policies related to people matters

As well as approving the above policies, the Remuneration & People Committee's activities in 2025 included:

- Directors' remuneration review and approval for 2025, including approval of the Corporate Scorecard and objectives
- Consideration of the Society's annual pay review and related rewards for 2025
- Approval and monitoring of the Society's discretionary bonus scheme
- Review of the Society's pension scheme arrangements
- Review and monitoring of the People Strategy linked to the Business Strategy
- Periodic attendance at the People Champions Network meeting to exchange on workplace culture and employee priorities linked to the colleague engagement survey
- Reviewing the approach to Equality, Diversity and Inclusion including an update on the Society's Gender Pay Gap and progress against Women in Finance Charter targets

## Pay Review

In July 2025, a 2.5% salary increase was awarded to all colleagues to account for inflation, with some further increases in roles/areas where the external benchmarking showed that the market had become significantly more competitive. This ensured that the Society was benchmarking competitively within the financial services market and wider sectors for similar roles.

The Society exceeds the statutory national minimum wage and meets the voluntary real living wage requirements for 2025-2026. The real living wage is different to the government's minimum wage rate, which for those over the age of 21 is often called the "national living wage". It is a higher, voluntary rate that is independently calculated based solely on the actual cost of living. The real living wage has risen to £13.45 per hour. The Society operates above this figure but intends to maintain real living wage accreditation and continuously considers the salaries of our lower earners beyond the real living wage to support the recruitment and retention needs of the organisation.

## All Staff Bonus 2025

The Society performed well in 2025, achieving a record year of mortgage lending, growing savings balances by over £100m and continuing to offer high levels of service and support to members. Whilst the underlying profit for the year was in line with expectation, the statutory profit number was impacted by accounting fair value adjustments that are explained in the financial review (page 20).

In recognition of the growth of both mortgages and savings, the contribution of colleagues through the year, and the Society's overall performance against our Corporate Scorecard measures, we will pay a bonus to colleagues in March 2026.

This bonus will comprise two components: an 'Our Contribution' award of £1,000 paid at a flat rate

to all colleagues (pro-rated) and a 'My Contribution' award which is a percentage of base salary reflecting individual performance, with a range of 0% to 15%.

## Report on Directors Remuneration

### Executive Directors

Exceptional performance is expected of all Executive Directors, with rewards linked to the promotion and support of Society values and behaviours, including appropriate risk management, financial performance, quality customer service, colleague engagement and individual excellence. In line with other colleagues, the Executive Directors received a salary increase of 2.5%

In determining variable pay awards, our Executive Directors, like colleagues, are measured against the Corporate Scorecard. Taking into consideration the Society's performance last year, the Committee agreed that the bonus award for 2026 should be between threshold and on target for the year. This reflected lower than budgeted statutory profit results, combined with on target or above target delivery of other key measures within the Corporate Scorecard, receiving bonuses within a range of 5% to 20% of salary of which 30% of bonus is deferred over 2 years, with 50% vesting at the end of year 1, and 50% at the end of year 2, subject to a minimum deferral amount of £5,000.

There were no other changes to the variable pay or pension contributions for current Executive Directors in 2025.

### Non-Executive Directors

In determining non-executive remuneration, the Committee and the Board take account of fees payable to Non-Executive Directors and Chairs of building societies that are similar in size and complexity to the Society. To ensure that fees are set at a level to retain and attract individuals of the calibre necessary to operate an organisation such as the Society and which reflect the skills and time commitment required, the Committee periodically commissions a review of non-executive remuneration. In 2025 there was no increase to Non-Executive Directors' fees, and no increase to the Chair's fees. There are no bonus schemes or other benefits for Non-Executive Directors, who are not entitled to any pension from the Group. The recommendation around fees is made by the CEO and Chair. The Chair's fees are discussed and approved by the Remuneration Committee.

Full details of individual Director's remuneration are disclosed on the opposite page.

### Gender Pay Gap

The Remuneration and People Committee reviews the gender pay gap data annually. The pay gap is calculated by comparing men's and women's average hourly rates and is intended to measure workplace disadvantage. This calculation is conducted at an aggregate level and therefore does not consider the roles each person performs.

Saffron has excellent representation of women in the workplace, with women making up 57 % of our workforce. However, the Society, like other financial retail businesses, has a high number of female staff in lower-paid roles. One reason for this is that more junior roles in the organisation, such as those in our branches, are more easily able to accommodate part-time working patterns, which women are more likely to perform. This is reflected in our colleague make-up, with most of our part-time colleagues being female. These factors contribute to the gender pay gap, which is calculated using average hourly pay. The gender pay gap for 2025 was 30%, an improvement from the 35% level recorded in 2024.

While there is a gender pay gap, there is no gap in equal pay in the Society. Our analysis tells us that where we have men and women performing the same role, they are equally remunerated. The Society updated its Equality, Diversity and Inclusion Policy in 2025, including the incorporation of our wellbeing commitments. A key component is our ongoing commitment to gender equality demonstrated through our signature to the Women in Finance Charter, ensuring we have a cohesive set of actions to improve the representation of women in more senior roles in our organisation through positive action. This includes areas of focus such as improving our family friendly benefits, mentoring for talented women and a focus on diversity in succession plans. In 2025 we were proud to receive official accreditation as a menopause

friendly employer, becoming one of just eight financial institutions to achieve this recognition.

### **Concluding Remarks**

The Committee conducted its annual review of effectiveness incorporating feedback from members and attendees. The review concluded that it had met its terms of reference with opportunities to improve how it operates and there were areas to enhance its oversight and the role it plays in the Society.

On behalf of the Remuneration and People Committee,

Louise Wilson  
Chair of Remuneration and People Committee  
6 March 2026

	2025 (£)					2024 (£)				
	Salary	Bonus earned in relation to financial year	Other benefits	Pension	Total	Salary	Bonus earned in financial year	Other benefits	Pension	Total
Executive										
C H Field	£242,100	£41,667	£26,157	£32,684	£342,608	£235,050	£52,602	£25,195	£31,732	£344,579
J Penberthy-Smith	£188,438	£32,432	£20,662	£13,403	£254,935	£182,930	£46,525	£19,633	£13,403	£262,491
M L Mills <sup>7</sup>	£54,600	£8,395	£6,749	£4,641	£74,385	£160,650	£32,760	£16,672	£13,655	£223,737
<b>Total</b>	<b>£485,138</b>	<b>£82,494</b>	<b>£53,568</b>	<b>£50,728</b>	<b>£671,928</b>	<b>£578,630</b>	<b>£131,887</b>	<b>£61,500</b>	<b>£58,790</b>	<b>£830,807</b>
Non-Executive										
M Preston <sup>2</sup>	£65,000	-	-	-	£65,000	£27,083	-	-	-	£27,083
A Cha <sup>1</sup>	£39,000	-	-	-	£39,000	£9,750	-	-	-	£9,750
A Hatchman <sup>3</sup>	£48,336	-	-	-	£48,336	£3,250	-	-	-	£3,520
J A Ashmore <sup>4</sup>	-	-	-	-	-	£20,130	-	-	-	£20,130
D Rendell	£50,052	-	-	-	£50,052	£49,182	-	-	-	£49,182
R Litten	£50,052	-	-	-	£50,052	£49,182	-	-	-	£49,182
J Saggi	£39,000	-	-	-	£39,000	£38,038	-	-	-	£38,038
B Anderson <sup>5</sup>	-	-	-	-	-	£6,695	-	-	-	£6,695
C Cartellieri	£51,108	-	-	-	£51,108	£47,384	-	-	-	£47,384
G Dunn <sup>6</sup>	-	-	-	-	-	£35,702	-	-	-	£35,702
L Wilson <sup>1</sup>	£50,050	-	-	-	£50,050	£9,750	-	-	-	£9,750
<b>Total</b>	<b>£392,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£392,598</b>	<b>£296,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£296,146</b>
<b>Grand Total:</b>	<b>£877,736</b>	<b>£82,494</b>	<b>£53,568</b>	<b>£50,728</b>	<b>£392,598</b>	<b>£874,776</b>	<b>£131,887</b>	<b>£61,500</b>	<b>£58,790</b>	<b>£1,126,953</b>

1 Appointed 1 October 2024

2 Appointed 1 August 2024

3 Appointed 1 December 2024

4 Resigned 30 April 2024

5 Resigned 15 January 2024

6 Appointed 9 February 2024, resigned 21 September 2024

7 Maurice Mills resigned from Board duties November 2025. Remuneration figures presented for Maurice reflect the period to April 2025. Lara Banjo was appointed interim CFO from May 2025 and was made permanent CFO on 1 January 2026.

# Speak to us today

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