

InTouch

OUR MEMBER MAGAZINE

2024

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Welcome

Dear Member

I am pleased to update you that the Society has had a good year, with growth in many areas and sound financial results. There have continued to be challenges for us all, and I’m proud that the Society has navigated these with the best interests of our members firmly in mind. The rising Bank of England Bank Rate has been kind to those with savings, but not so kind to people with mortgages. The Society has strived to balance the needs of both our



savers and borrowers by staggering any changes to mortgage rates. Taking some of these decisions has led to lower profits, but this was the right thing to do for our members.

The Board and Senior Leadership Team, along with colleagues, will focus on a new strategy and direction over the next five-year period. This will ensure the Society is in a strong position to continue to offer all our existing and new members the absolute best in products and servicing. I'm delighted that the Society's first mobile app will launch later this year; another great way to allow you, our members, to decide how you want to do business with the us. Our colleagues have remained committed to the work we do in our communities, providing over 1,890 volunteering hours this year! The Board and I fully support colleagues in the difference they are making in local communities.

I am looking forward to you joining with us at the AGM to review the last 12 months and to hear about our future plans. The 155th AGM will take place in the Business Suite at Rodney Parade, Newport, on Wednesday 21st August 2024, at 11am. As always, you can vote in person at our AGM, at any branch or agency office, online through our Scrutineer's website or you can complete and return the Proxy Voting Form in the pre-paid envelope. For every valid voting form, the Society receives (paper or online), we will donate 50p to Shelter Cymru, our charity partner.

To help the Society further benefit our members in the future, we are delighted to offer those who return a copy of the member questionnaire a chance to win a £250 gift card, plus an extra £250 donation to a charity of your choice.

Thank you for your loyalty to the Society over the past year.



Roger Turner

Chair

Mutual Benefits

We understand that our members, like everyone are affected by the cost of living. As a building society we can reinvest our profit in products which directly benefit current and future members.

270 first time buyers
helped onto the
property ladder

198 home movers
supported

276

Completed mortgages in
our heartland of Wales

**Created a new energy efficient
mortgage in partnership with
local developers**

**Increased our average savings interest rate
across the year by 1.05%**

**Supported members with the government mortgage
charter and passed on 1.5% less in rate increases vs
Bank of England rates**

523

Homeowners were helped
to remortgage their homes

**Paid out over £30m in
interest to members**

Are your savings working hard for you?

It's really important that you review your accounts to ensure they meet your needs. You can find our current products and rates at www.monbs.com or visit your local branch or agency.

On the High Street

We're committed to staying on the high street. We know our branches and agencies play a huge role in the communities we serve.

This year

- Our **Branch Sponsorship programme**, run by our branches, led to grass roots sponsorship of 43 local community initiatives, donating approximately £15,000
- We have **welcomed community groups into our Cardiff site**, offering them space to run workshops, meetings and events
- Branch staff have volunteered for local groups and causes, including food banks, animal shelters and litter picking
- Our branch colleagues continue to **support members with budgeting**, through the use of our budget buddy tool and through running budget events in their communities
- Many of our branches have hosted fraud awareness sessions with TARIAN Regional Cyber Crime Unit to raise awareness around cyber security.

Supporting Communities

Our core purpose is to help members, colleagues and communities to thrive. That's why we put so much into supporting our communities and the causes that matter to them.

- Our **Charitable Foundation** donated over £35,000 to 42 organisations last year. The foundation provides modest donations that will have a positive impact on the lives of disadvantaged or vulnerable people in our communities.
- We continue to support **Shelter Cymru, our Strategic Charity Partner**, this year raising over £6,000 for the charity.
- Our **branch sponsorship** fund provided branches the opportunity to support 43 community initiatives, donating over £15,000 in total.
- Our colleagues can take up to 14 hours of volunteering leave each year through our **Colleague in the Community** initiative. This year we donated 1,894 hours of our time to causes that matter to us.

Member Matters Research Community

Our research community, Members Matters, gives members an opportunity to tell us what they think of our services and products. With over 300 members, the Society is receiving great feedback and making improvements with each piece of research!

We'd love more members to be involved. Find out more and sign up to become part of the research panel here:



monbs.com/about-us/member-matters-research-community/

Working with Sight Life

Throughout the year, we've been working with Sight Life to improve accessibility for our members.

Sight Life offer sight loss support to people affected by visual impairments. Since working with them we have:

- Produced large print communications in an updated format of A4, font size 18. Sight Life members said this layout makes it easier when using a magnifying glass.
- Amended annual savings statements to a grey scale instead of orange. Sight Life members say orange can be difficult to read.

Alongside the research Sight Life have been helping with, colleagues from across the Society have volunteered at Pedal Power in Cardiff regularly.



Acting on Member Feedback

Listening to our members is really important to us.

After receiving feedback we have reviewed our process for Electronic Bank transfers, including reducing the minimum transfer amount and extending the cut off time.

Following member feedback, we have also installed an automated door in our Risca branch and introduced accessibility kits for each branch and agency, including signature guidance cards and magnifying cards.

Our Journey to Net Zero

Over the last two years we've been working with climate action organisation ClimatePartner to improve our carbon footprint and do more for the environment.

Through the partnership we have begun to make changes towards becoming **net zero by 2050**.

And we've made a great start! Since 2022, **we've reduced our total emissions by 52% for the period 2022-23**. And last year, the Society offset our total recorded emissions of 622^{CO2} tonnes via both UK and international projects, including planting **250** trees in Neath, South Wales.

We're delighted to have been accredited with the **ClimatePartner certification**, acknowledging that we have calculated our greenhouse gas emissions, defined reduction targets, financed climate projects, and communicated our climate action strategy.

Our commitment to reducing our carbon footprint has included:

- Using **100% renewable energy across all offices and branches**, making our premises more efficient than ever
- Replacing paper welcome packs with digital packs
- Migrated our IT services and business applications from legacy hardware to cloud-based platforms
- Reducing the use of paper and printing
- Increasing use of recyclable materials



ClimatePartner
certified company
climate-id.com/5ECU9



Coming Soon – the new MBS mobile app

Soon members will be able to manage their money wherever they are with the new MBS mobile app.

The Society is continuing on its digital journey of transformation, offering more choice in the way members manage their money.

Our new app will launch later this year. Keep an eye on our website and social media channels for updates.

Do we have your updated details?

We'd love to be able to contact you, our members, in a way that suits you. To do this we need to ensure your contact details are up to date.

We have recently created an easy to use, secure form on our website, where you can update your details, marketing preferences and tell us about anything that will help you when receiving information from us.

To update your details today, simply scan the QR code. Alternatively, you can also request to update your personal details via My Accounts, by calling 01633 844 340 or by popping into one of our branches or agencies.



Monmouthshire Building Society Annual General Meeting 2024



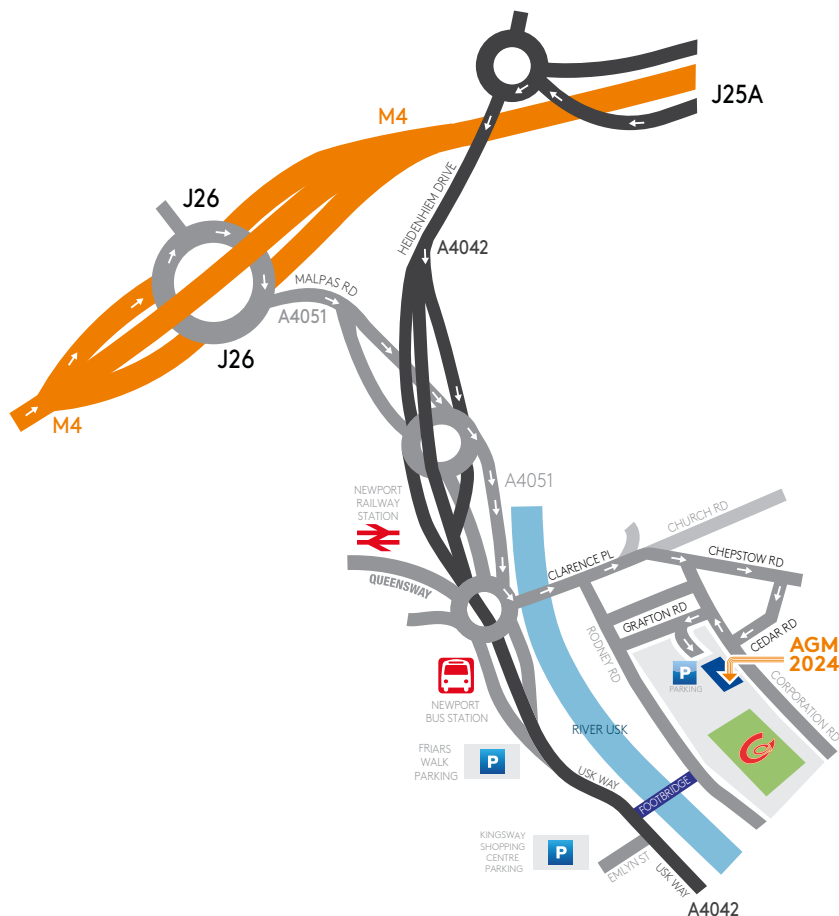
Date: Wednesday 21st August 2024

Time: 11:00am

Venue: Business Suite, Rodney Parade Rugby Ground, Newport, NP19 0UU

If you're planning to attend:

- Please remember to bring your Proxy Voting Form and your passbook.
- The doors open at 10.30am to allow for registration prior to the meeting starting at 11.00am.
- Tea, coffee and refreshments will be provided.



Notice of Annual General Meeting

Notice is given that the 155th Annual General Meeting of the members of Monmouthshire Building Society will be held in the Business Suite, Rodney Parade, Newport, NP19 0UU, on Wednesday 21st August 2024 at 11.00am.

Ordinary Resolutions

1. To receive the Auditors' Report, Directors' Report, Annual Accounts and Annual Business Statement for the year ended 30th April 2024.

You can find our more in our Annual Report and Accounts which you can find on our website.

2. To re-appoint BDO LLP as auditors until the conclusion of the next Annual General Meeting.

Following an evaluation of BDO the Board recommends the re-appointment of BDO LLP as the Society's auditors for the financial year ending 30th April 2025, subject to member approval.

3. To approve the Directors' Report on Remuneration for the year ended 30th April 2024.

Details of this report are set out in the Summary Financial Statement on page 29. The Society is not required to prepare an annual report on Directors' remuneration or propose a resolution for its approval. However, as in previous years and following best practice the Society is proposing an ordinary resolution to approve the Directors' Remuneration Report. The vote is advisory and the Directors' entitlement to remuneration is not conditional on this resolution being passed.

4. Election and Re-election of Directors

- a. To re-elect Julian Bill
- b. To re-elect Trevor Barratt
- c. To re-elect Colin Brereton
- d. To re-elect William Carroll
- e. To re-elect Marian Evans
- f. To re-elect Dawn Gunter
- g. To re-elect Liz McKenzie
- h. To re-elect Roger Turner
- i. To elect Mike Jones
- j. To elect James Greenwood

Biographical details can be found on page 13 of the Summary financial statement and on our website at www.monbs.com. James Greenwood and Mike Jones who were appointed to the Board since the last AGM, are offering themselves for election. All Non-Executive Directors are considered independent. Following formal evaluation, the Board considers that each brings different but complementary skills and experience to the Board. Their performance continues to be effective and they demonstrate commitment to the role.

Other

5. To transact any other business permitted by the Rules of the Society.

The Board considers that all resolutions are in the best interests of the Society and its members as a whole and recommends that you vote 'For' each of these resolutions.

By Order of the Board

Allison Currie
Company Secretary
23rd May 2024

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 or her behalf. You may appoint the Chair 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 may take place after an initial vote by a show of hands. Your proxy may not speak at the Meeting except to demand or join in demanding a poll.
3. You may instruct your proxy how to vote at the Meeting. Please read the instructions on the proxy form.
4. The voting date is the date of the Meeting - 21st August 2024 if voting in person, or 16th August 2024 if voting at any of our branch or agency offices, online or by post.
5. In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a shareholding member or a borrowing member.

Shareholding Members

- a. To qualify as a shareholding member, you must:
 - i. if you are an individual, be at least 18 years old on 21st August 2024, and

Notes Continued

- ii. have held shares to the value of not less than £100 in the Society on 30th April 2024, and
 - iii. have not ceased to hold a share or shares in the Society at any time between 30th April 2024 and the voting date, and
 - iv. hold a share or shares in the Society on the voting date.
- b. Where the shares are held jointly by two or more persons, only the first named in the records of the Society in respect of those shares can have any voting rights.

Borrowing Members

- a. To qualify as a borrowing member, you must:
- i. be at least 18 years old on 21st August 2024, and
 - ii. have owed the Society not less than £100 in respect of a mortgage debt on 30th April 2024, and
 - iii. owe the Society not less than £100 in respect of a mortgage debt on the voting date.
- b. Where a mortgage debt is owed jointly by two or more persons, only the first named in the records of the Society in respect of that mortgage can have any voting rights.
6. In addition, **you can vote only 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 both a Shareholding Member and a Borrowing Member.
7. Members attending the Meeting will be requested to produce their passbooks, mortgage statement or other evidence of membership in order to obtain admission. Please also bring the Proxy Voting Form with you. If you are appointing a proxy, other than the Chair of the Meeting, to attend the Meeting and vote on your behalf, please ensure that your proxy brings an appropriate form of identification to the Meeting.

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

Directors' Profiles 2024

The biographies of the Directors are set out below and include specific reasons why their contribution is, and continues to be, important to the Society's long-term sustainable success.

Committee Key

- Audit
- Risk
- Nominations
- Remuneration
- Transformation Oversight

Where you see the letter 'C' in a coloured box, this indicates that the individual is the chair of the committee.



Roger Turner C

Chair, Non-Executive Director
Appointed in 2015, Chair since 2022.
(Independent)

Background and Career

Roger has some 40 years' experience in the financial services sector, most recently as the CEO of an asset management firm in London and previously as Head of Group Capital and Treasury at Schroders plc. His experience is wide ranging, having been a trader in fixed income and derivatives and also as a regulator, in addition to his extensive consultancy experience as a partner in the Financial Services Regulatory Practice of PricewaterhouseCoopers from 1997 to 2009. Roger has worked predominantly in the UK but has substantial experience of working for organisations overseas, most notably in the Far East and USA, and his clients have included both corporate bodies and governments.

Skills and Experience

Roger holds a BA (Hons) in Business Studies and an MBA in Finance from City University Business School. He contributes to the Board considerable wide-ranging experience in the financial services sector including Treasury, Corporate Finance and regulatory matters.

What Roger enjoys most about working at the Society is the ambition of the team, the flexibility and willingness to embrace the challenges of the World today and the family feel of our Society.



Trevor Barratt  

Non-Executive Director
Appointed in 2016
(Independent)

Background and Career

Trevor has over 25 years' experience as a senior executive in governance and risk management, with the majority of this time spent in mainstream retail and commercial banking. For several years he was the Head of Strategic Risk for Lloyds Bank Plc, working within the Group Risk function, and subsequently he became the Chief Risk Officer of Charities Aid Foundation Bank, before moving to Duncan Lawrie Private Banking Group as an Executive Director, prior to moving to risk consultancy. He was a Non-Executive Director of a private bank, with an international clientele.

Skills and Experience

With extensive experience across both small and large entities, Trevor is a specialist in risk management. He is a Fellow of the International Compliance Association. Trevor also holds the FT Advanced NED Diploma. An Associate of the Chartered Institute of Financial Services, Trevor gained a Postgraduate Diploma before completing a Master of Business Administration from Sheffield Hallam University.

Trevor sees Monmouthshire Building Society as a true community Society, with an ambitious vision to increase financial inclusion, using multiple delivery channels, at the very time other financial service firms are withdrawing from towns and communities across Wales.



Liz McKenzie    

Non-Executive Director
Appointed in 2018
(Independent)

Background and Career

Liz started her career in manufacturing and held a number of roles with Toyota Motor Manufacturing. She was latterly the Assistant General Manager and a member of the senior leadership team. In a transition from manufacturing to financial services, Liz joined the Wesleyan Assurance Society in 2010. She held a number of senior roles including Chief Operating Officer from 2015 to 2017. Liz is Chair of IoT start-up Tended and Shareholder NED at the Brunel Pension Partnership.

Skills and Experience

Liz has a degree in Production Engineering and contributes to the Board a wealth of experience of transferring manufacturing best practice into financial services in areas such as operational improvement, people development and remuneration, transformation and IT, driving cost management and income growth.

Liz likes that the Society is such a big-hearted organisation, our actions are real and will make a difference. There’s so much more to do!



Marian Evans



Non-Executive Director and Senior Independent Director from 2022
Appointed in 2021
(Independent)

Background and Career

An experienced NED and board advisor, Marian was awarded the British Empire Medal in the Kings New Years Honours 2024 for services to Business. A former Director of Thomas Carroll Group and Sales Manager at NFU Mutual and previously a NED at Cirencester Friendly Society and the largest Independent Agri Broker network (FAB). Marian is also an ambassador for Women on Boards UK. Marian owns a successful consultancy business and property partnership.

Skills and Experience

Marian qualified and practiced as both a Chartered Insurance Broker and Chartered Insurer. Marian is a Fellow of the Institute of Leadership and Management and Fellow of the Chartered Management Institute.

Marian is proud to be part of Monmouthshire Building Society and describes its culture as one which truly has the best interests of its people and members firmly at its core.



Colin Brereton  

Non-Executive Director
Appointed in 2022
(Independent)

Background and Career

Colin was a Senior Partner with PricewaterhouseCoopers (PwC) until 2018. He held positions with PwC including EMEA Financial Services Clients & Markets Leader, Global Communications Leader, and UK Technology and Telecoms Leader. Colin is Non-Executive Chair at BnkPro Limited and BnkPro (Europe) Limited, two Electronic Money Institutions; Audit Committee Chairman at Royal National Children's Springboard Foundation; Deputy Chair at Floreat Education.

Skills and Experience

Colin has 38 years' leadership experience in professional services. He has over 20 years' experience within PLC boardrooms and served three terms on PwC UK's Supervisory Board. Colin is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Association of Chartered Certified Accountants. Colin contributes a wealth of experience in business, accountancy and audit matters. His advisory work spanned strategic and operational transformation, financial performance improvement, and regulatory compliance.

Colin believes in the mutual model and is impressed with the work the Society does in the community, the people he has met, and their enthusiasm and commitment to supporting Monmouthshire's members.



James Greenwood  

Non-Executive Director
Appointed in 2023
(Independent)

Background and Career

James is the Chief Technology and Operations Officer of Bitstamp. He has held numerous executive roles in regulated financial entities across product, customer experience, technology, and operations. Previously, he served as the Chief Product and Marketing Officer at Zand Bank (UAE), where he oversaw the launch offerings of the world's first combined corporate and retail digital bank. Other roles include Chief Technology Officer of Tandem, the UK-based digital challenger bank, Chief Operating Officer of Commercial Bank International, and Digital Platform Director at Barclays.

Skills and Experience

James brings extensive experience in global banking and the fintech sector, where he has both built new digital banks and driven the transition from traditional to digital banking. He has a degree in Computer Science, has authored numerous textbooks on digital technologies, and lectured academically on disruption and transformation.

James believes the combination of the Society's ambitious, forward-thinking approach with its community-focused fundamentals are exactly what's needed for all members and colleagues – current and future.



Michael Jones

Non-Executive Director
Appointed in 2024
(Independent)

Background and Career

Mike worked at Principality Building Society for 25 years until June 2023, where he held a number of senior managerial positions, culminating in his appointment to the Board as Chief Risk Officer in 2013. He was also appointed as the Society's Interim CEO during 2019/2020. Mike started his career at Midland Bank and subsequently worked at HSBC, undertaking a wide range of managerial roles in the retail and corporate banking divisions. Mike is a Non-Executive Director of Pobl Housing Group, where he chairs the Audit & Risk Committee. He also served as a member of the UK Finance Mortgage Product and Service Board from 2019 until 2022.

Skills and Experience

Mike has over 40 years' experience in the financial services sector. He holds a degree in Economics, an MBA from Henley Management College, and is an Associate Member of the Chartered Institute of Bankers. He has extensive knowledge of the Building Society sector and UK regulatory environment, together with a deep understanding of risk management, finance and banking.

Mike was very much attracted to working alongside the Monmouthshire Building Society's team, which has such a strong focus on serving local communities. At a time when Banks and so many other businesses are withdrawing from face to face interaction with customers, he believes the Society's commitment to the high street is becoming increasingly important.



William Carroll 

Chief Executive Officer

Background and Career

Will joined the Society in 2004 and was appointed to the Board in 2009 as Finance Director. In 2017 he became Chief Executive Officer. Will is accountable to the Board and responsible for leading the development and execution of the Society's long-term strategy in the interests of members. Will is responsible for all day-to-day management decisions and for implementing the Society's long and short-term plans. Will previously worked for Deloitte and was involved with a wide range of audit work in a variety of different industry sectors. He has been with the Society for almost 20 years and in that time has been responsible for various departments including Finance, Treasury, Customer Services and Arrears.

Skills and Experience

Will is a Fellow of the Institute of Chartered Accountants. He holds a Master's degree in Leadership and Management from the University of Loughborough. Will has a great understanding of the Society and the building society sector, and significant experience in financial management.

During this time, he is extremely proud of the way in which all within the organisation pull together to ensure that we develop and evolve and continue to deliver exceptional services for our members. He is looking forward to leading the business as it seeks to achieve its vision of becoming an innovative, exciting, modern mutual.



Dawn Gunter

Chief Operating Officer

Background and Career

Joining the Society in 2017, Dawn moved into the role of Chief Operating Officer and was appointed to the Board in February 2018. Dawn has enjoyed a successful career in senior leadership roles, spanning the banking, insurance and building society sectors with some of the UK's biggest organisations, including, Sainsburys Bank, Principality Building Society and Legal & General.

Skills and Experience

With over 30 years' experience within financial services, Dawn is highly astute and skilled in the formulation of strategy and delivering change. She has a wide breadth of knowledge across all key functional areas of Operations, IT, Business Change, Brand & Communications, HR and Compliance Quality Assurance with successes delivering results through high performing teams and creating customer and colleague centric cultures. In addition to her role at the Society, Dawn acts as Chair for the UK Finance Wales Policy committee, working to influence government policy on behalf of lenders and bringing the sector together for the good of consumers.

Dawn's dedication and passion for the Society's colleagues, members and communities shines through, making a positive impact each day. She is a Trustee for the Society's Charitable Foundation, ensuring worthy causes receive the help and support they need to flourish.



Julian Bill

Chief Risk Officer

Background and Career

Julian joined the Society in September 2021, as Interim Finance Director, and was appointed Chief Risk Officer and Board member on 1 August 2022. Julian is responsible for Risk, Compliance and Governance within the Society. Before joining the Society, Julian was Interim Group Head of Finance at Wrekin Housing Group. He held various senior roles with the Principality Building Society from 2003 to 2020 including Head of Group Finance, Head of Capital and Liquidity Risk Management, Chief Internal Auditor and most recently Programme Sponsor. Julian was a Non-Executive Director of POBL Housing Group between 2014 and March 2024, where he chaired the Audit and Risk Committee.

Skills and Experience

Julian is a Fellow of the Institute of Chartered Accountants and started his career in KPMG. He contributes to the Society over 30 years' experience within Financial Services in Risk, Finance and Audit at executive and non-executive level.

Julian enjoys working in Monmouthshire Building Society's close-knit team and helping the Board to safely achieve the Society's ambitions and purpose for the benefit of current and future members, society and colleagues.

Summary Financial Statement

Summary Directors' Report

The Directors have pleasure in presenting the Summary Financial Statement of the Group for the year ended 30 April 2024. The financial statement is a summary of information contained in the audited Annual Report, Directors' Report and the Annual Business Statement, all of which will be available to members and depositors free of charge on demand at every office of the Monmouthshire Building Society and on the Society's website at www.monbs.com from 7 August 2024.

2024 Highlights

Results	2024	2023
Growth		
Total Assets (£ millions)	1,699.3	1,618.5
Total Mortgage Assets (£ millions)	1,365.3	1,291.3
Lending		
Gross New Lending (£ millions)	237.9	284.9
Net Lending (£ millions)	74.3	104.2
Net Interest Margin %	1.90	1.79
Capital		
Common Equity Tier 1 ratio (% of risk-weighted assets)*	13.5	14.2
Profitability		
Underlying Profit Before Tax (£ millions)**	7.2	3.8
Profit After Tax (£ millions)	2.3	9.7
Profit After Tax Ratio (% mean total assets)	0.14	0.62
Management Expenses Ratio (% mean total assets)	1.43	1.46
Cost Income Ratio post fair value gains (%)	87.81	63.27

* Refers to the Society's standalone Common Equity Tier 1 capital and associated risk weighted assets

** Underlying profit before tax is profit before tax excluding fair value movements resulting from hedge accounting and on derivative financial instruments. This is an alternative performance measure not required by UK GAAP. The Society uses derivative instruments (swaps) to hedge interest rate risk arising from fixed rate mortgages. Any gains or losses arising from fair value movements are timing differences which do not affect underlying cash flows or business performance. As a result, they are excluded from the Society's underlying profit or loss before tax.

An evolving strategy through economic uncertainty

The headwinds which we faced in the last financial year continued. These included a smaller mortgage market, house prices on a declining trajectory, continued pressures on the cost of living, a sluggish economy and intensified competition. The Society has adapted quickly to these economic conditions. In July 2023, we announced that, as a result of the economic uncertainty, the Society ceased working with Welsh Government on the aspiration of the Banc Cambria community banking model across Wales. Despite this, we continued to implement our five-year strategic plan, the Board taking the decision to reprioritise some key strategic initiatives whilst undertaking a full review of the Society's strategy.

Following the considerable successes at the Society since commencing our previous strategy in 2021, May 2024 sees the launch of our new strategic plan, which focuses on sustainable growth through modernisation. We will seek to enhance our technology infrastructure to support our business and enable future growth, but modernisation is about more than adopting new technologies, it is about transforming our mindset and ways of working. By streamlining processes, fostering a culture of continuous improvement and embracing modern innovation and new practices, we'll unlock new opportunities and further potential to build our Society for new and existing members.

Clear prioritisation and focus on our members

At the heart of our strategy we remain true to the essence of our organisational purpose of helping members, colleagues and communities to thrive. As a mutual Building Society, we seek to balance the interests of our savings and mortgage members.

As interest rates continued to rise during the year, we increased our savings rates across our range, providing attractive returns to our existing loyal savers and attracting new members to the organisation. This has led to continued growth in core retail funding, the bedrock on which our Society thrives. We will always look to support our savings members in this way and continued to increase returns for our savings members throughout the year.

Interest rate increases impact upon the ability to pay of mortgage borrowers, in particular those who are on a variable rate or nearing the end of their fixed rate mortgage term and face increases in their monthly payments. Since January 2022, the Society has sought to soften the blow

to these members of rising bank rate increases of 5.00%, by only passing on 3.75% of those increases to its standard variable mortgage rate.

The Society's borrowers continue to maintain payments on their mortgages resulting in low levels of arrears across the mortgage book. However, we recognise that our members may require additional support during these difficult times, and we continue to monitor performance of our mortgage book closely. The impact of higher mortgage rates could lead to financial difficulties, and we have a team of dedicated specialists available to speak with those members concerned about their mortgage repayments. This helps to ensure that we continue to meet the individual needs of our members, providing tailored solutions that will support them through difficult times. We signed up to the Government's voluntary Mortgage Charter which provides support options to homeowners, for example by temporarily switching to interest only or extending a mortgage term. Whilst these options already formed part of a range of forbearance and support options we offer, it does provide support and reassurance to borrowers.

Feedback provided from members continues to give us a good measure of how we are doing. Through the continued excellence of service from our teams across the business, we have achieved a customer satisfaction score of 95% throughout the year.

Communities

The Society's communities are made up of those areas within our heartland of South Wales, Powys, and border counties. The Society seeks to support the communities in which it serves in many ways. The Society continues to be part of the wider community, with money and time being given to our charity partners. The Society continues to raise much needed awareness and funds for our charity partner Shelter Cymru as well as providing financial support to many other grass roots organisations through our Branching into Communities program.

The Society's Charitable Foundation was founded in 2000 and supports local community groups across South Wales and the South West of England. The foundation was relaunched in 2021 and in the last financial year made donations to 42 community groups, charities, and organisations of £35k (2023: £45k).

We plan to continue to support the communities in which we operate by maintaining our branch footprint over the coming years, alongside the development of our digital capabilities. Our Branching into Communities initiative run by our branches led to grass root sponsorship of 43 local community initiatives. We have also been delighted to welcome community groups to our Cardiff site, providing space for them to run workshops, meetings, and events in a modern, fit-for-purpose environment.

The Society's Social Responsibility Panel engages colleagues across the organisation to support local initiatives, share experiences and identify opportunities for change, all of which have a positive impact on the environment and our communities. In the year, our colleagues invested 1,894 hours in community and charitable initiatives, reflecting their commitment to the Society's purpose.

And our colleagues

Colleagues are at the very heart of the success of Monmouthshire Building Society. Our personal service differentiates us from many of our competitors. We aim to create a positive environment for our colleagues, helping them grow professionally and personally while also remaining focused on the types of behaviours, skills, and capabilities the Society is going to need in the future. We continue to place focus on colleague attraction, retention and development through our people strategy in a challenging market.

Our board

James Greenwood and Mike Jones were appointed to the Board as Non-Executive Directors during the year. James has become Chair of the Society's Transformation Oversight Committee which was formed during the year. It is planned that Mike will succeed Trevor Barratt as Chair of the Society's Board Risk Committee, subject to regulatory approval. Both will be up for election at our Annual General Meeting (AGM) on 21 August 2024.

On 31 March 2024, Tom Leach, the Chief Financial Officer left the Society. The Society has appointed an Interim CFO while it conducts a search for a permanent replacement

As we enter our 156th year, Monmouthshire Building Society remains a safe, resilient home for your savings and is well positioned to meet the future challenges and opportunities that lie ahead.

I would like to record my thanks to the Board, the management team and all colleagues at the Society for their continued efforts and support in ensuring the ongoing success of our Society. I would also like to say thank you to you, our members, for your unwavering support through some difficult times.



Roger Turner

Chair

11 July 2024

Summary of Financial Ratios	2024 %	2023 %
Gross capital as a percentage of shares and borrowings	5.32	5.41
Liquid assets as a percentage of shares and borrowings	18.29	17.75
Profit for the year as a percentage of mean total assets	0.14	0.62
Management expenses as a percentage of mean total assets	1.43	1.46

Group Financial Position at the year end	2024 £000	2023 £000
Assets		
Liquid assets	293,378	270,886
Mortgages	1,365,314	1,291,270
Fixed and other assets	40,569	56,367
Total assets	1,699,261	1,618,523
Liabilities		
Shares	1,286,946	1,168,210
Borrowings	317,421	357,643
Other liabilities	9,497	10,129
Reserves	85,397	82,541
Total liabilities	1,699,261	1,618,523

Group income and expenditure account	2024 £000	2023 £000
Net interest receivable	31,576	27,748
Other income and charges	(866)	(40)
Administrative expenses	(23,685)	(22,722)
Loan loss provisions	142	(1,127)
Other provisions	-	(40)
Other fair value gains	(3,737)	8,205
Profit before tax	3,430	12,024
Taxation charge	(1,101)	(2,338)
Profit for the year after tax	2,329	9,686

Gross capital as a percentage of shares and borrowings

The gross capital ratio measures the proportion that the Group's capital bears to its liabilities to holders of shares, depositors and other providers of funds (investors).

The Group's capital consists of profits accumulated over many years in the form of reserves. 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 of the Group's assets held in the form of cash, short-term deposits and government securities to the Group's liabilities to investors.

Most of the Group's assets are long-term mortgages which cannot be converted quickly into cash, while many of its liabilities to investors are repayable on demand. 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.

Approved by the Board of Directors on 11 July 2024.



Roger Turner



William Carroll

Profit for the year as a percentage of mean total assets

The profit to assets ratio measures the proportion that the Group's profit after taxation for the year bears to the average of its total assets during the year.

The Group needs to make a reasonable level of profit each year in order to maintain its capital ratio at a suitable level to protect investors.

Management expenses as a percentage of mean total assets

The management expenses ratio measures the proportion that the Group's administrative expenses bears to the average of the Group's total assets during the year.

Management expenses consist mainly of the costs of employing staff and of running the Society's branches and other office costs such as advertising. Expenses need to be controlled so that the Group operates as efficiently as possible while providing the service that members require.

Independent Auditor's Report



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

Opinion on the summary financial statement

On the basis of the work performed, as described below, in our opinion the Group Summary Financial Statement is consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Group for the year ended 30 April 2024 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 Monmouthshire Building Society ('the Group') for the year ended 30 April 2024, which comprises the Income statement and the Financial Position at the end of the year, together with the Summary Directors' report.

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, Annual Business Statement and Directors' Report of the Group for the year ended 30 April 2024, 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 of the Group 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 of the Group for the year ended 30 April 2024.

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 Summary Financial Statement.

Our report on the Group's full annual accounts is unqualified and describes the basis of our opinions on those annual accounts, the Annual Business Statement and Directors' Report.

Directors' Responsibilities

The directors are responsible for preparing the Summary Financial Results within the Summary Financial Statement, in accordance with applicable United Kingdom law.

Auditor's Responsibilities

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Results within the Summary Financial Statement with the full annual 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.

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

This auditor's statement is made solely to Monmouthshire Building Society's members, as a body, and to Monmouthshire Building 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 Monmouthshire Building 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 Monmouthshire Building Society's members as a body and Monmouthshire Building Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.



David Gonnelli (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

11 July 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Directors' Remuneration Report

On behalf of the Board, I am pleased to present the Remuneration Committee's 2023/24 Report which sets out our Remuneration Policy and provides for our members details of the basic salary, variable pay, and benefits earned by Directors in the year to 30 April 2024. The Board is committed to best practice in its remuneration policy for Directors and in the interests of transparency it has included an advisory vote at the Annual General Meeting on the Directors' Remuneration Report set out below. The Directors' remuneration for the year is as follows:

Non-Executive Directors

2024	Fees & salary	Performance related incentive scheme	Pension contributions	Taxable benefits	2024	2023
	£000	£000	£000	£000	£000	£000
R D Turner	61	-	-	12	73	58
T Barratt	42	-	-	6	48	43
C I Brereton	42	-	-	7	49	42
M Evans	37	-	-	2	39	36
L McKenzie	42	-	-	1	43	41
A D Morgan (retired Aug 2023)	13	-	-	-	13	40
J Greenwood (appointed Nov 23)	25	-	-	-	25	-
M Jones (appointed Mar 24)	9	-	-	-	9	-

Executive Directors

W J Carroll	234	2	31	13	280	305
D M Gunter	156	2	47	12	217	241
T Leach (resigned Apr 24)	143	-	19	7	169	165
J Bill	144	3	20	12	179	151

Loans to Directors

At 30 April 2024, one director (2023: one director) or persons connected with directors had mortgage loans granted in the ordinary course of business totalling £491k (2023: £507k). A register containing details of loans and transactions between the Society and its directors may be inspected at the Society's Head Office, during normal office hours, in the period of fifteen days expiring on the date of the Annual General Meeting, or at that meeting.

Executive Directors' Emoluments

The level of remuneration for Executive Directors' is reviewed each year. The Society's remuneration policy is to reward Executive Directors through basic salaries, pensions and other benefits, including an incentive scheme designed to recognise the achievement of corporate objectives, and, for the Chief Executive and Chief Operating Officer, a strategic longer term incentive scheme focused on Society growth. Payments made as a result of the incentive schemes are not pensionable.

Directors' Basic Salaries

Basic salaries are normally reviewed annually by reference to performance, jobs carrying similar responsibilities in comparable financial organisations and in the light of market conditions generally.

Directors' Incentive Scheme

For the year to 30 April 2024, the scheme for Executive Directors was designed to deliver a maximum award of up to 20% of basic salary, following finalisation of the accounts. The annual incentive scheme is linked to key corporate performance measures such as the achievement of financial targets (e.g. in relation to growth and efficiency), combined with demonstration of appropriate behaviours in line with the Society's performance management process.

Directors' Pensions and Other Benefits

In line with the UK Corporate Governance Code the Society has aligned Executive pension contributions with the workforce during this year. Executive Directors now receive the same percentage contributions as all employees as contributory members of the Society Stakeholder pension scheme. Executive Directors are eligible to receive other optional taxable benefits including a car and healthcare provision.

The Code recommends that an Executive Director's service contract notice period should be set at twelve months or less. The Society meets this

requirement. The Chief Executive Officer is subject to a notice period of twelve months. Other Executive Directors are subject to a notice period of six months.

Non-Executive Directors’ Remuneration

The fees for Non-Executive Directors were determined by the Executive Directors and the Chair. The Chair’s remuneration is determined by the Committee in the absence of the Chair. Additional fees are paid to the Senior Independent Director and the Risk, Remuneration and Audit Committee Chairs to reflect their increased responsibility. The level of fees is regularly compared with fees for Non-Executive Directors’ remuneration in comparable organisations.



Liz McKenzie
Remuneration Committee Chair
11 July 2024

Board of Directors and Officers



Chair and Non-Executive Director	R D Turner
Non-Executive Director	T Barratt
Non-Executive Director	C I Brereton
Non-Executive Director	M Evans
Non-Executive Director	L McKenzie
Non-Executive Director	J Greenwood
Non-Executive Director	M Jones
Chief Executive Officer	W J Carroll
Chief Operating Officer	D M Gunter
Interim Chief Financial Officer	I Evans
Chief Risk Officer	J M Bill
Chief Customer Officer	E Wilkins
Chief Strategy and Transformation Officer	S A Phillips



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Monmouthshire Building Society is authorised by the Prudential Regulation Authority, and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register Number: 206052

Monmouthshire House, John Frost Square, Newport, South Wales, NP20 1PX