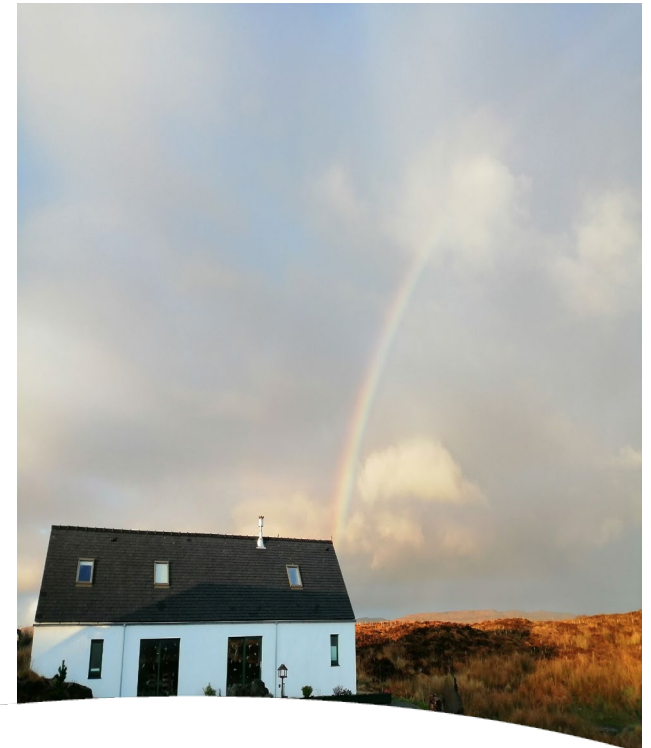


Annual General Meeting and Member Meet-up 2023

Saturday 22 April





Your host
Peg Alexander
Presenter



Agenda

- | | | | |
|-------|--|-------|--|
| 10.15 | Registration and refreshments | 15.00 | Break |
| 10.30 | Building societies for beginners | 15.15 | Our future footprints – Agitating for positive change
<i>Hear from leading change-makers on how they are influencing policy and behaviours</i> |
| 11.00 | Annual General Meeting including Ask the Directors | | Colin Baines / Sara Edmonds / Rob Harrison |
| 12.30 | Lunch | 16.00 | Closing comments |
| 13.30 | Footprints in the ground–Innovation for positive change
<i>Panel discussion on the latest innovations in sustainable building and retrofit</i> | 16.15 | Close |
| | Dan Capstick / Marianne Heaslip / Lynne Sullivan OBE | | |
| 14.15 | Footprints on the ground–Sustainable lending in practice
<i>Hear from Ecology borrowers who are building a greener future</i> | | |
| | Ele George / Chris Pyke / Gisella Renolds | | |



Welcome

Louise Pryor, Chair



Board of Directors



Giovanni D'Alessio



Karl Jaedon Green



**Gareth Charles
Griffiths**



Louise Pryor



Andrew Gold



Kerry Mashford



Vince Smith

Annual General Meeting Agenda

- **Welcome**
- **Ordinary Resolutions**
 1. **To receive the Annual Report and Accounts for the year ended 31 December 2022**
 2. **To re-appointment BDO LLP as auditors**
 3. **To approve the Directors' Remuneration Report ended 31 December 2022**

Annual General Meeting Agenda

- **Election of Directors**
 - 4.1 To elect Giovanni D'Alessio
 - 4.2 To elect Karl Jaedon Green
 - 4.3 To elect Gareth Charles Griffiths
 - 4.4 To re-elect Kerry Jean Mashford
 - 4.5 To re-elect Louise Margaret Pryor
- **Ask the Directors**
- **Voting results**
- **Any other business and closing comments**



Review of the Year and Financial Report 31 December 2022

Gareth Griffith
Chief Executive



2022's Key Highlights



Strong financial results...



delivered by dedicated colleagues;
focussed on Members...

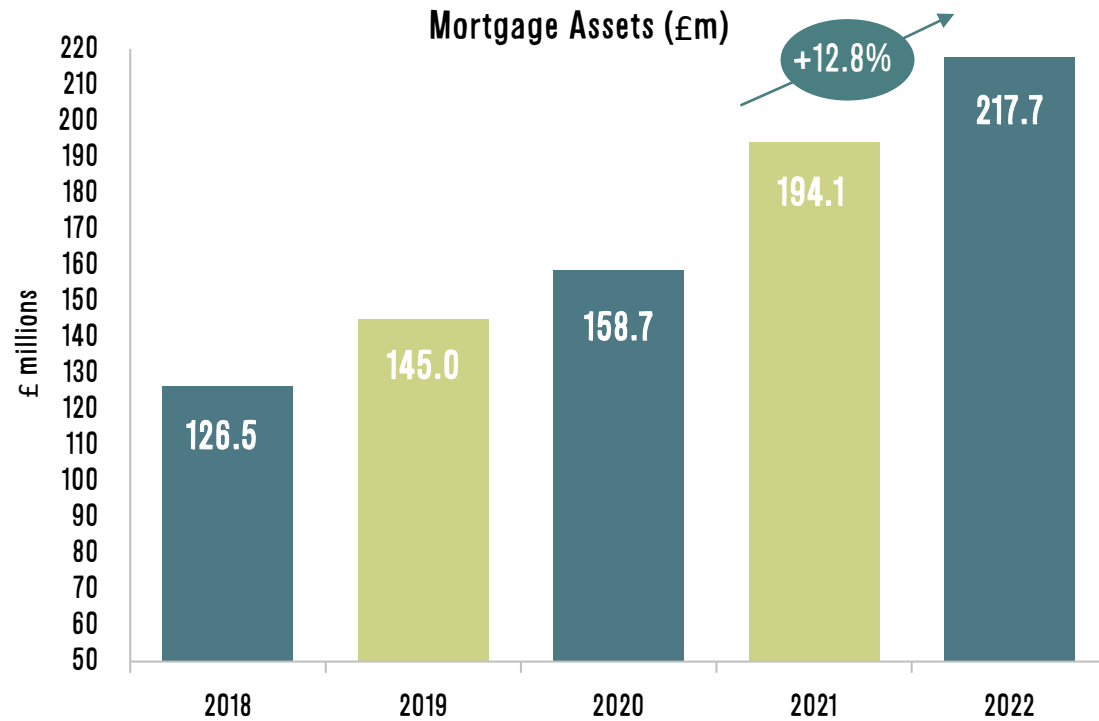


...to deliver our Mission

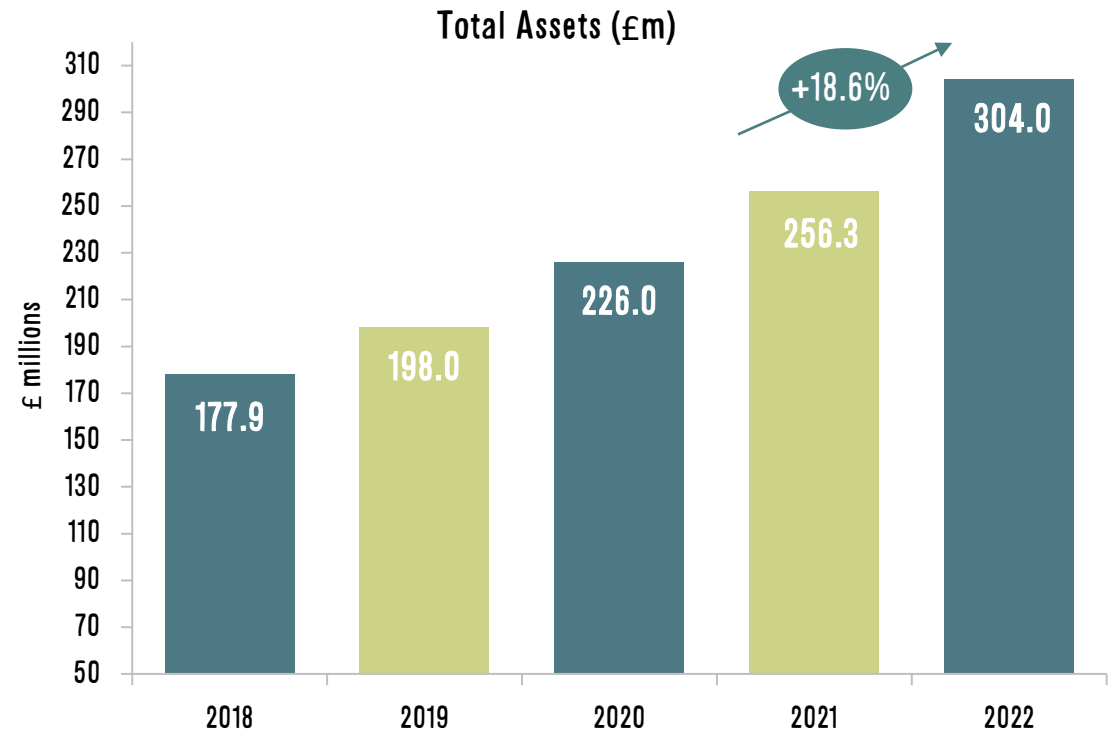
	2022	2021
Total assets	£304.0m	£256.3m
Mortgage asset growth	12.19%	22.30%
Mortgage lending	£69.6m	£69.4m
Saving balances	£285.5m	£239.5m
Liquid assets as a % of shares and borrowings	29.44%	24.96%
Management expenses as a % of mean total assets	1.80%	1.59%
Net profit	£1.585m	£1.019m
Profit after taxation as a % of mean total assets	0.57%	0.42%
Core Tier 1 capital	£17.094m	£15.698m
AGM - voting turnout	14.84%	16.94%

Strong Financial Results

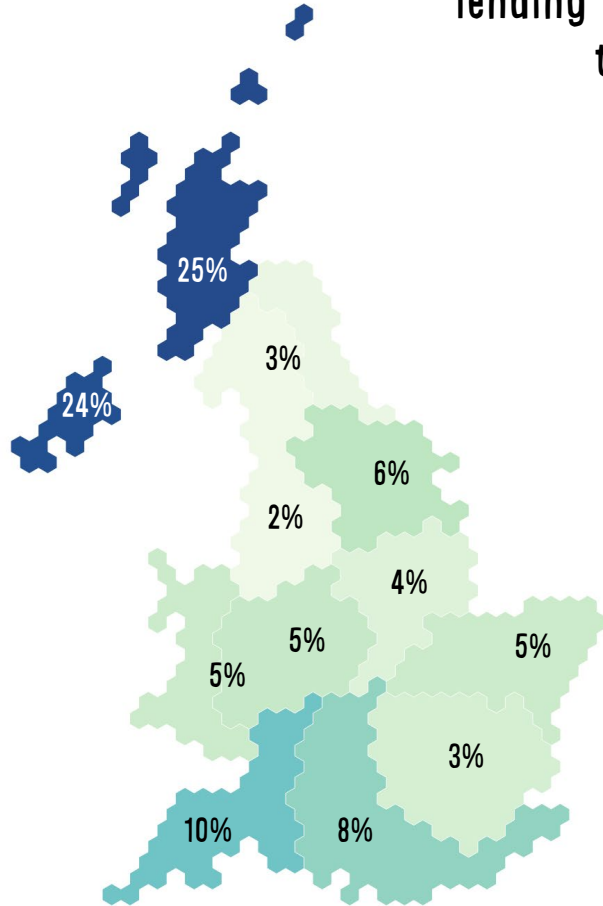
Consistently strong Mortgage growth showcases the impact that our lending has...



Supported through an ever growing band of savers who want to use their money as a force for good.



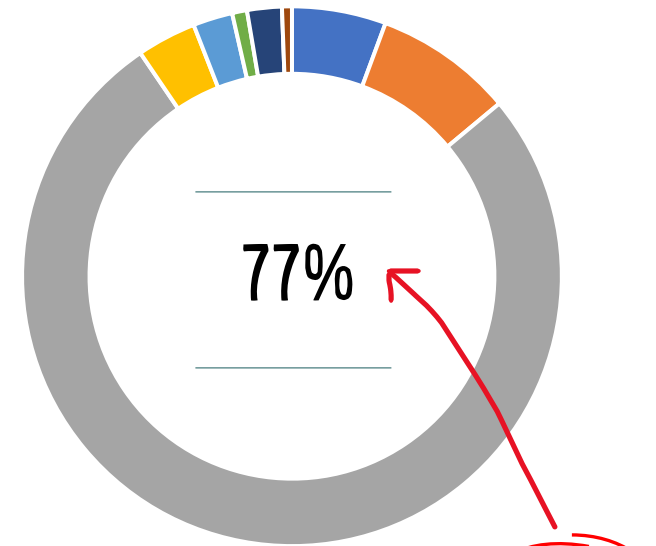
Strong Financial Results



A strongly diversified lending footprint across the UK...

But with a less strongly diversified book (by volume)...

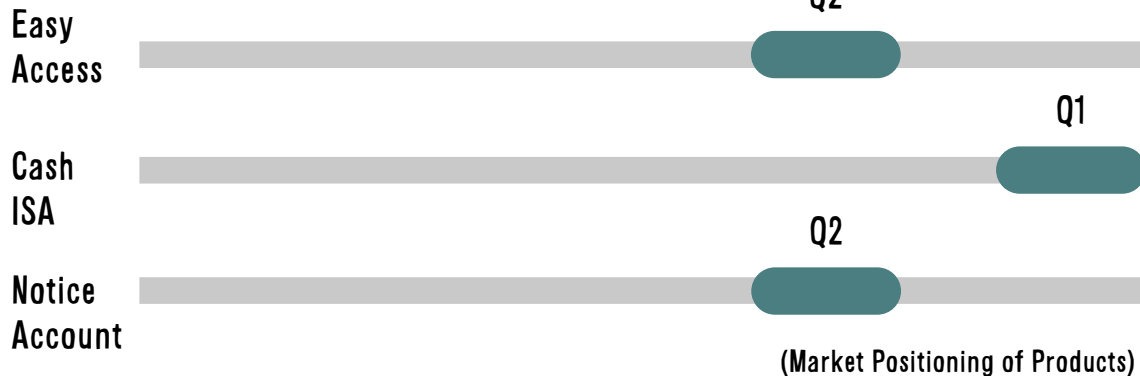
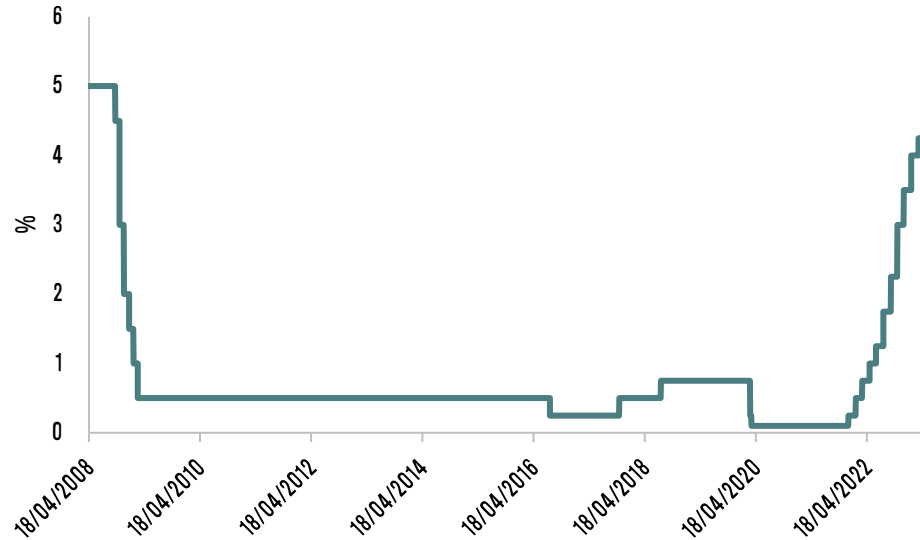
2022 'Front Book' Lending Types



- Conversions
- Shared Ownership
- Woodlands
- Renovations
- Housing Co-op
- Community Gain Projects
- Self Build
- GLTs

Strong Financial Results

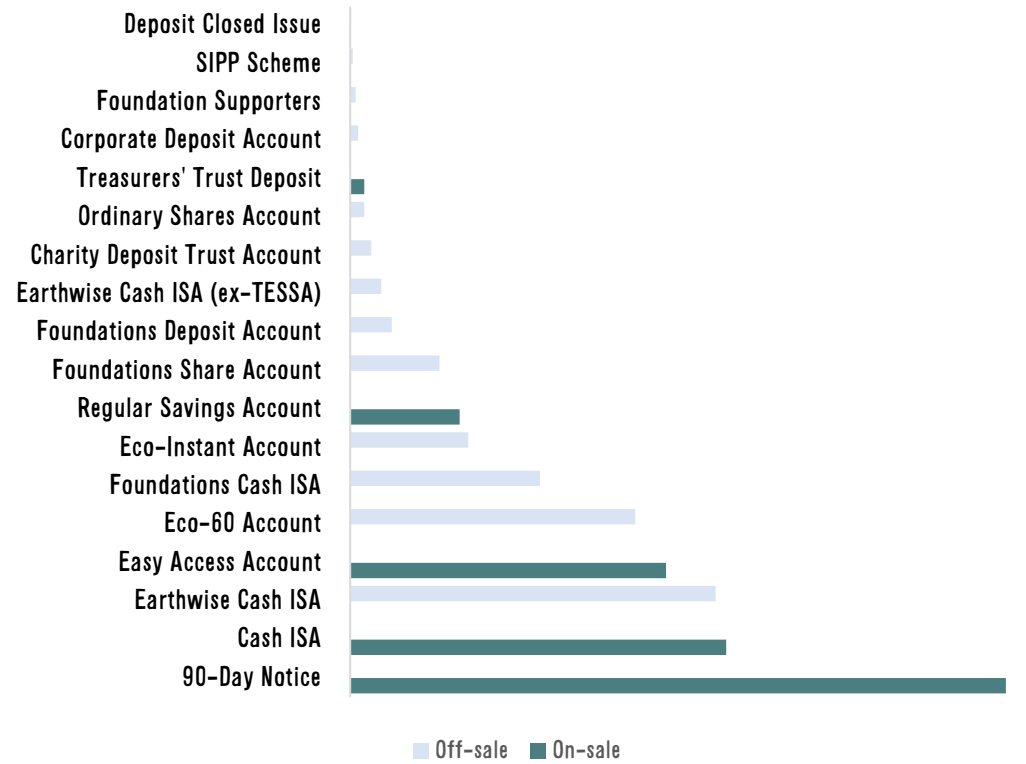
Supporting Savers through the Base Rate Changes



(Market Positioning of Products)

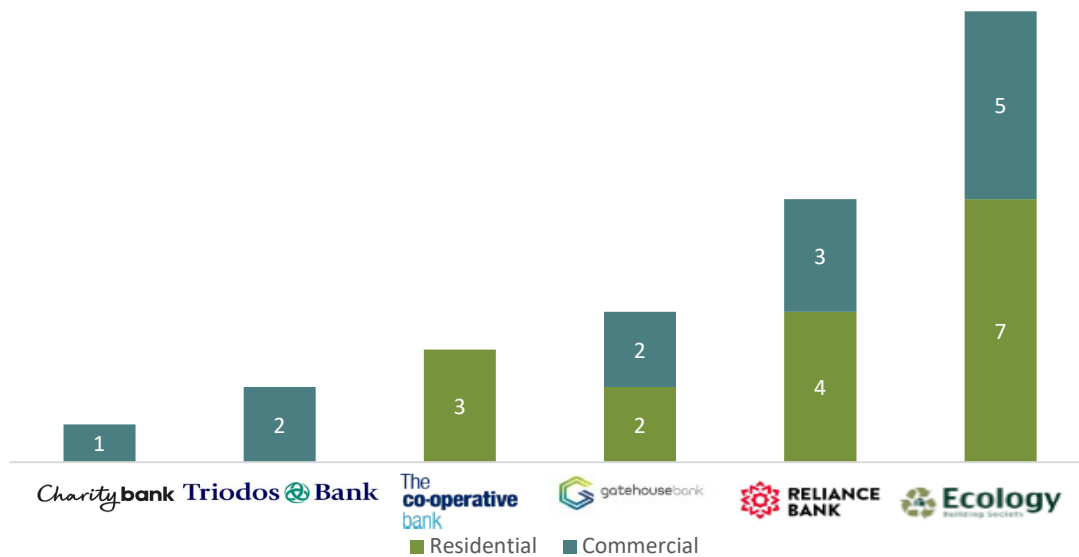
But 80% of balances are in 20% of accounts...

Saving Account Values



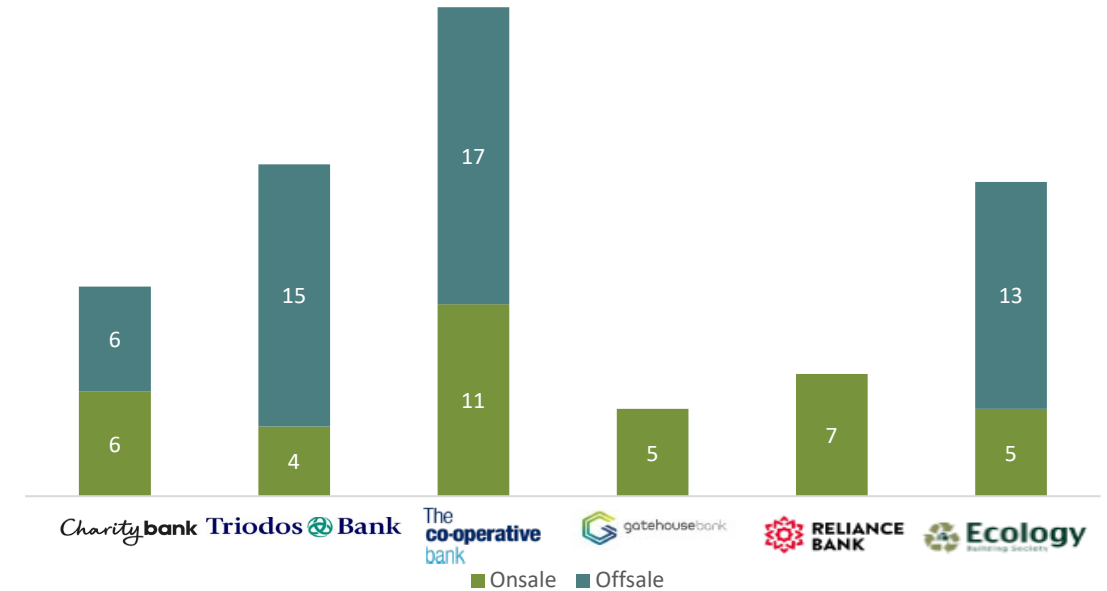
Strong Financial Results

But for our size and scale we carry the complexity and overhead of managing a significant volume of product...



(Mortgage Product Volume)

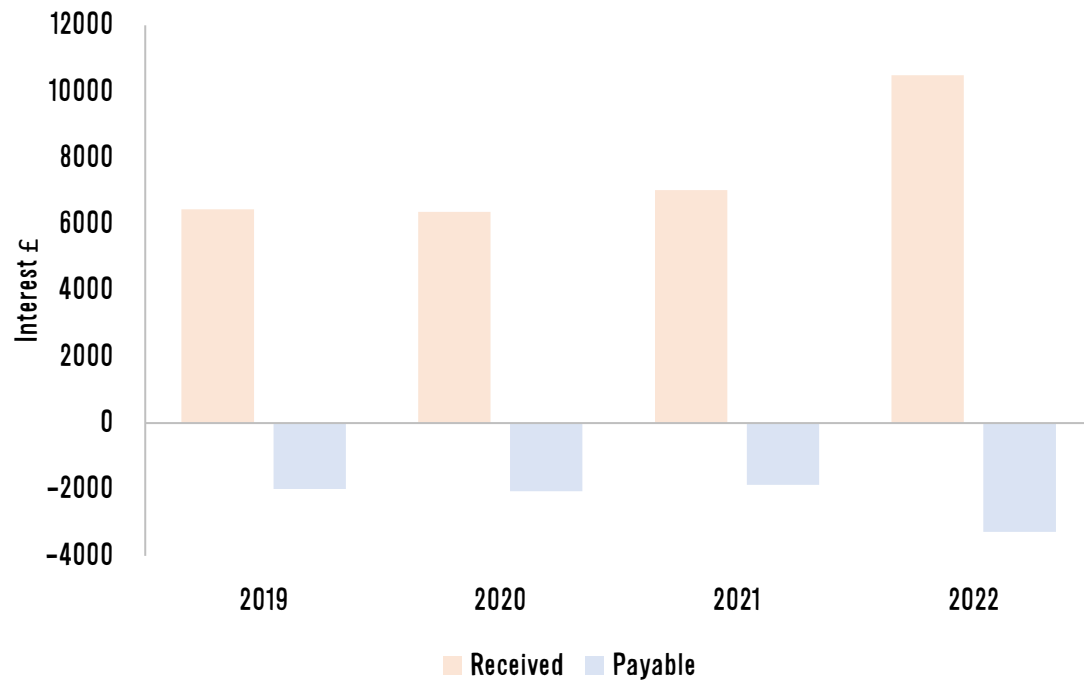
...on both sides of the balance sheet.



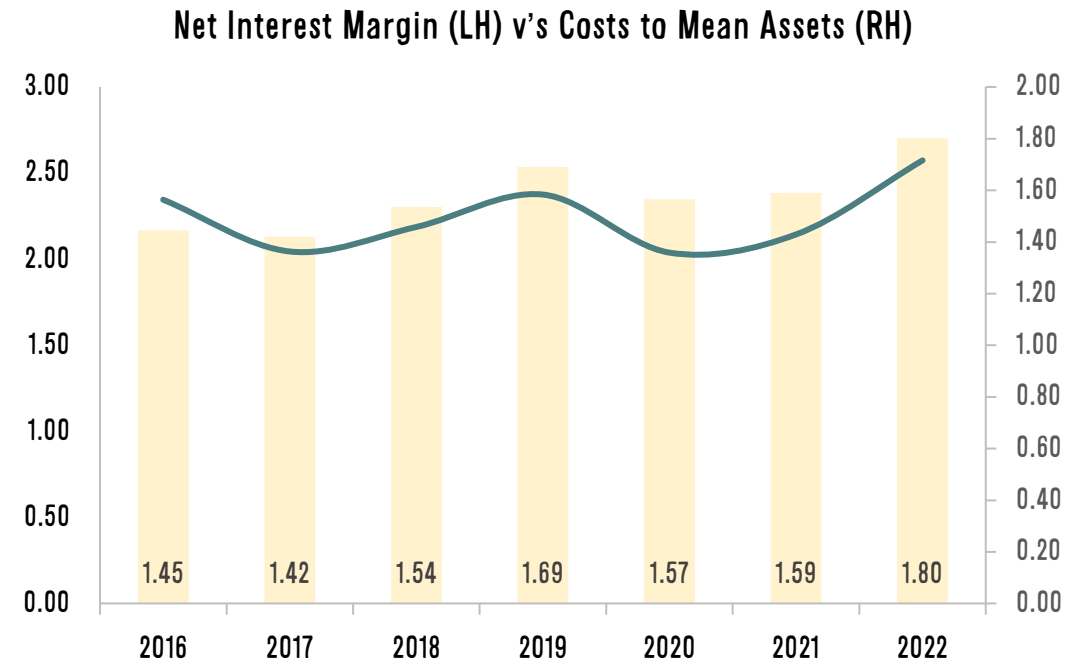
(Savings Product Volume)

Strong Financial Results

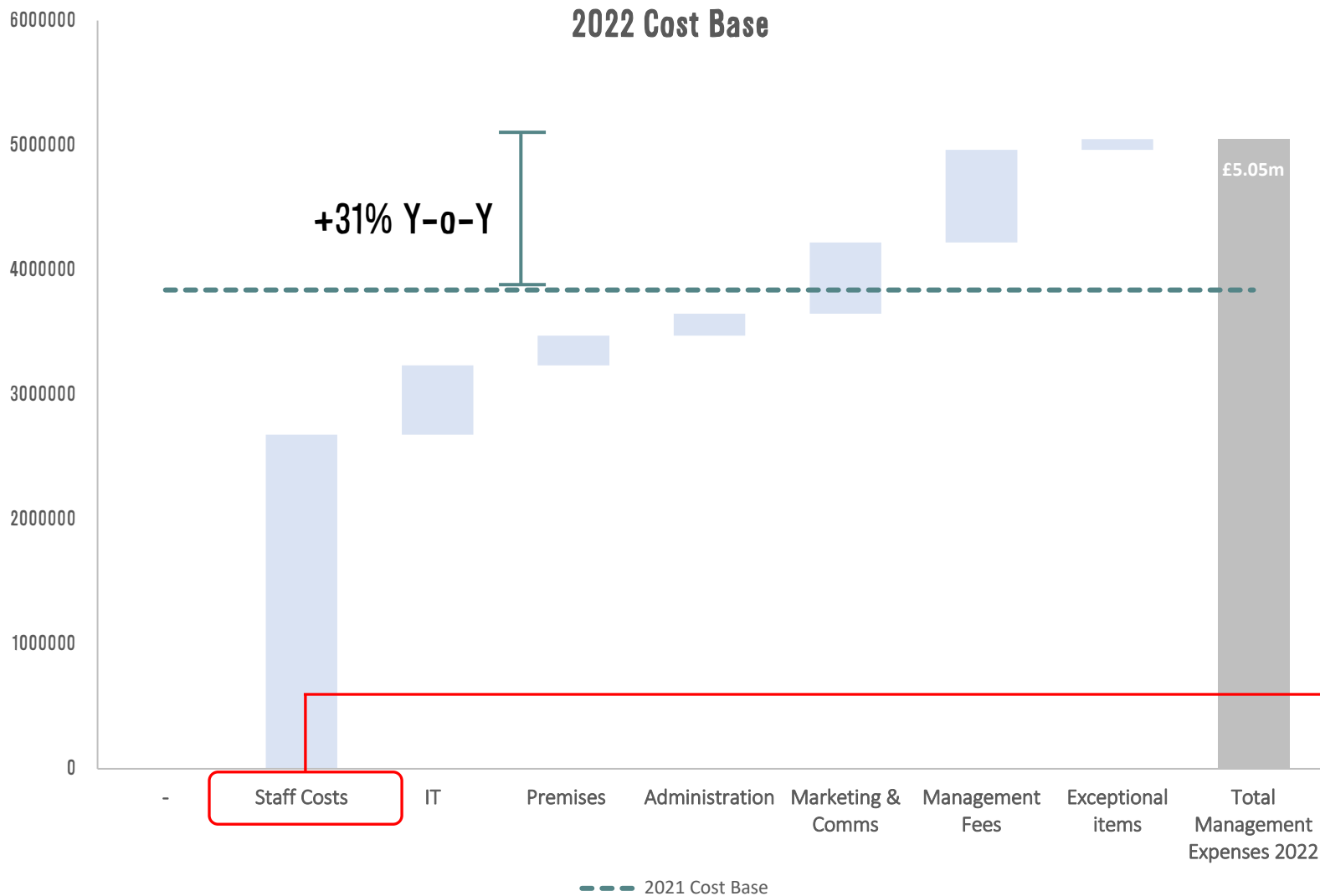
The larger Mortgage book drives a significant increase in amount of interest received by the Society...



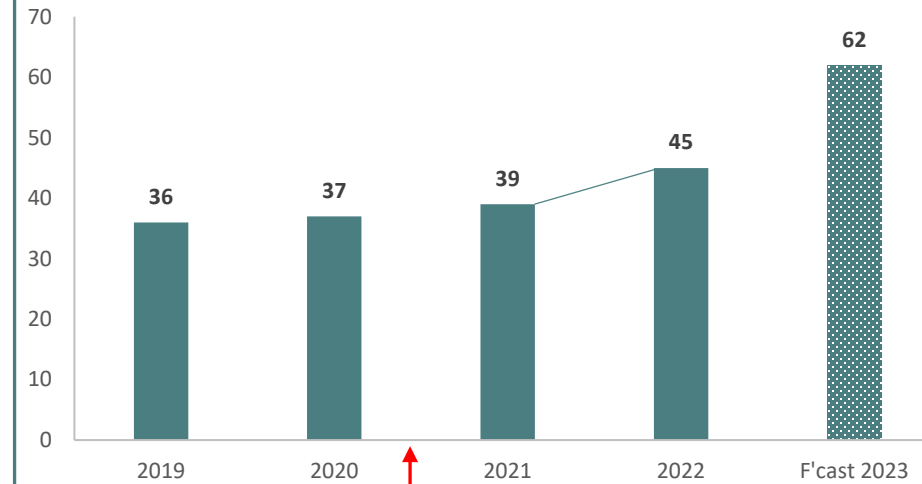
...set against this Net Interest Margin (NIM) stayed broadly consistent, but with a backdrop of a growing cost base



Strong Financial Results

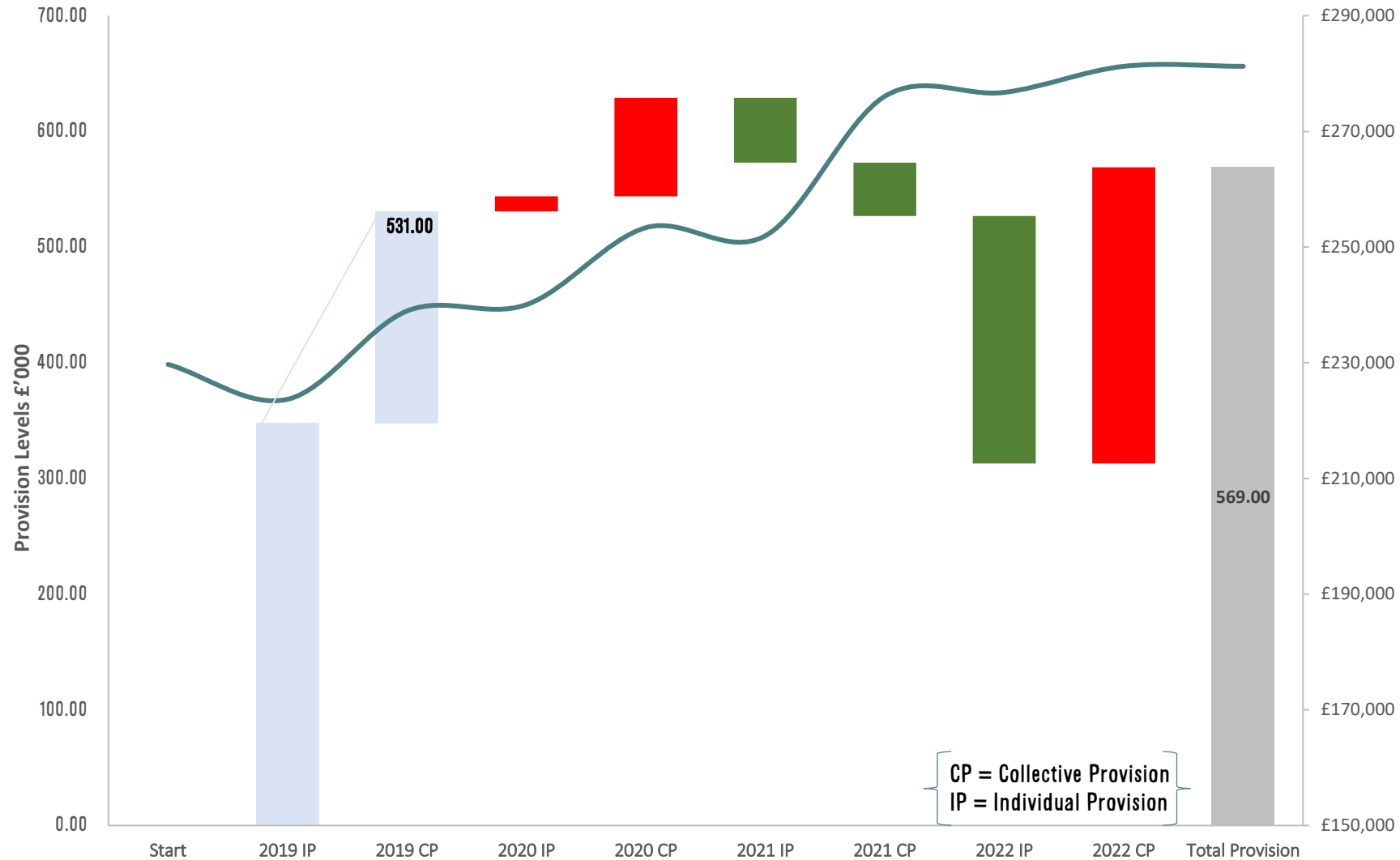


...on both sides of the balance sheet.



Strong Financial Results

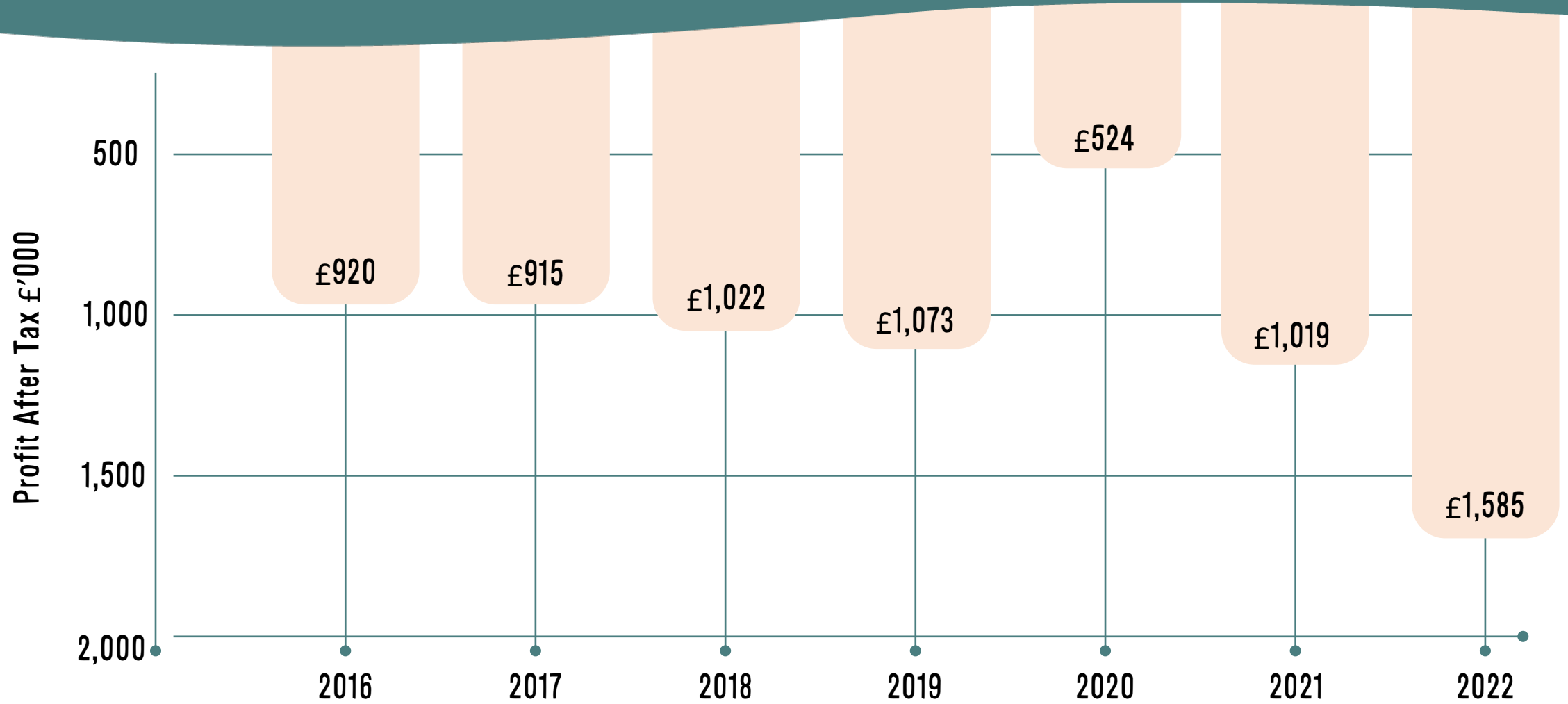
Collective & Individual Provisions (LH) v's Halifax Price Index (RH)



Credit performance continues strongly, with provision at similar levels to 2019.

1 month in arrears	6
1 - 3 months in arrears	8
> 3 month in arrears	1
Total of arrears payments	£21,758.25
Average LTV of all arrears cases	69%

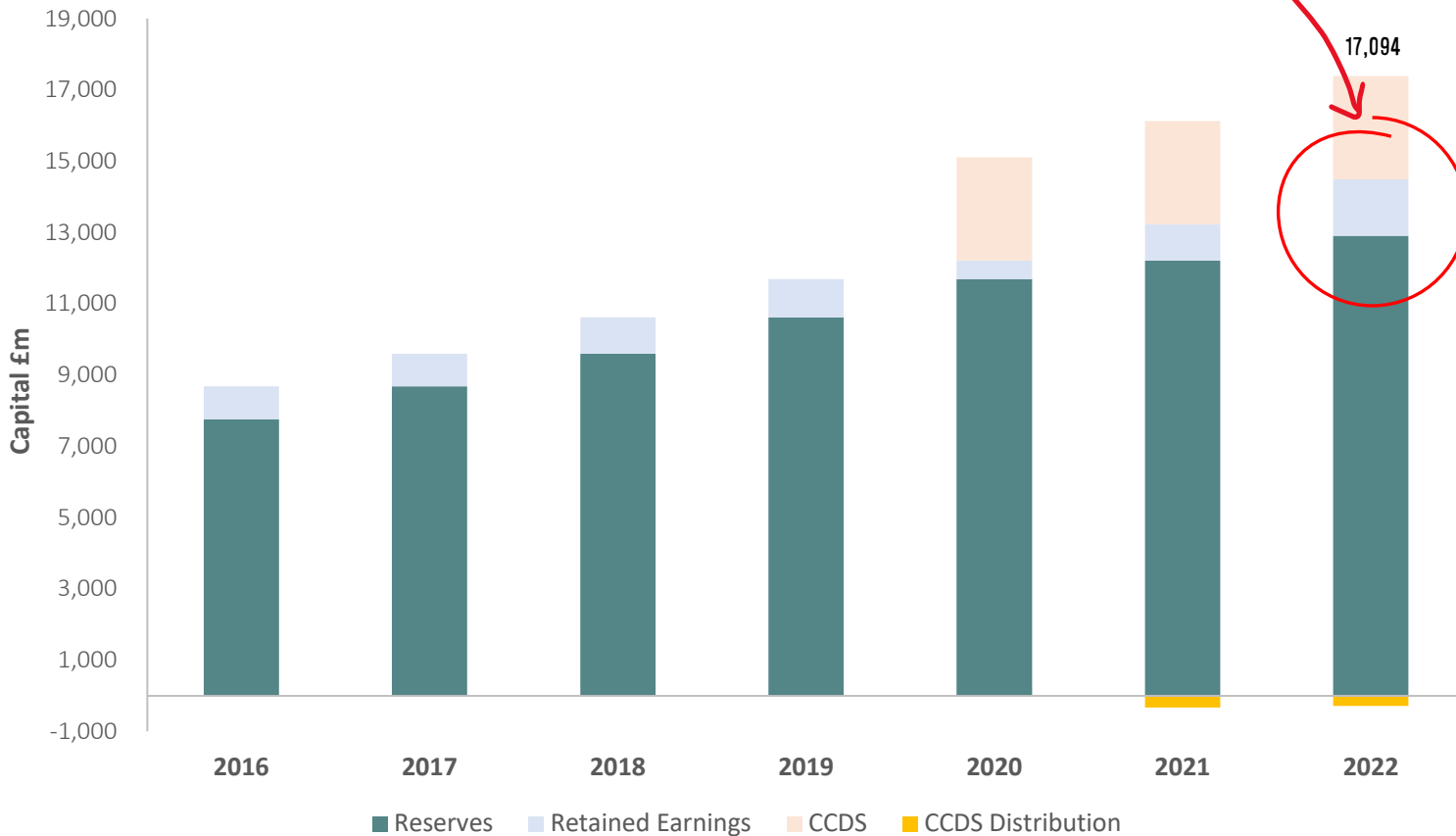
Strong Financial Results



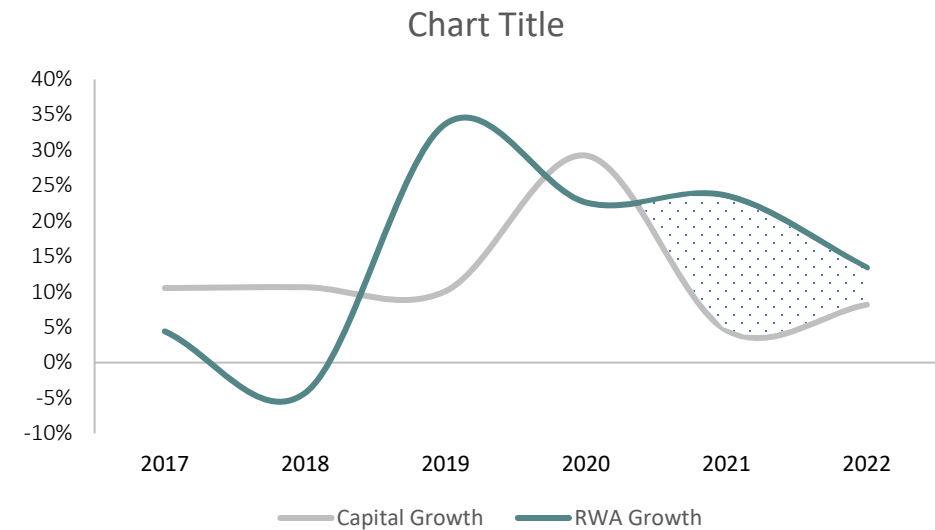
Against the backdrop of increasing costs, we recorded a year of record profit, that enables more impact lending...

Strong Financial Results

Capital growth is beginning to accelerate through the addition of retained earnings

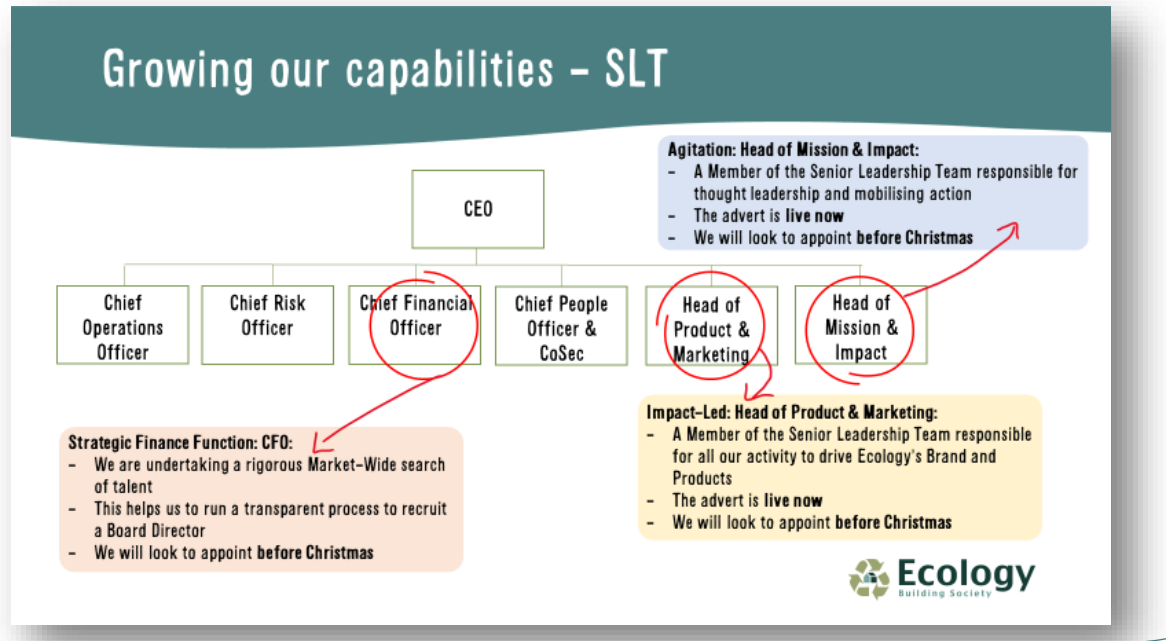


However, growth in Risk Weighted Assets is outstripping capital growth, and this will need to be carefully navigated over the coming years



Dedicated Colleagues

Member Meet-ups – October / November:



Role	Recruited	Start Date
Head of Product & Marketing		January 2023
Chief Financial Officer		September 2023
Sustainability Lead		June 2023
Risk & Control Manager		April 2023
Project Manager		April 2023
Chief Transformation Officer		April 2023
Chief Operating Officer		April 2023
HR Business Partner		April 2023
Continuous Improvement Mgr		May 2023

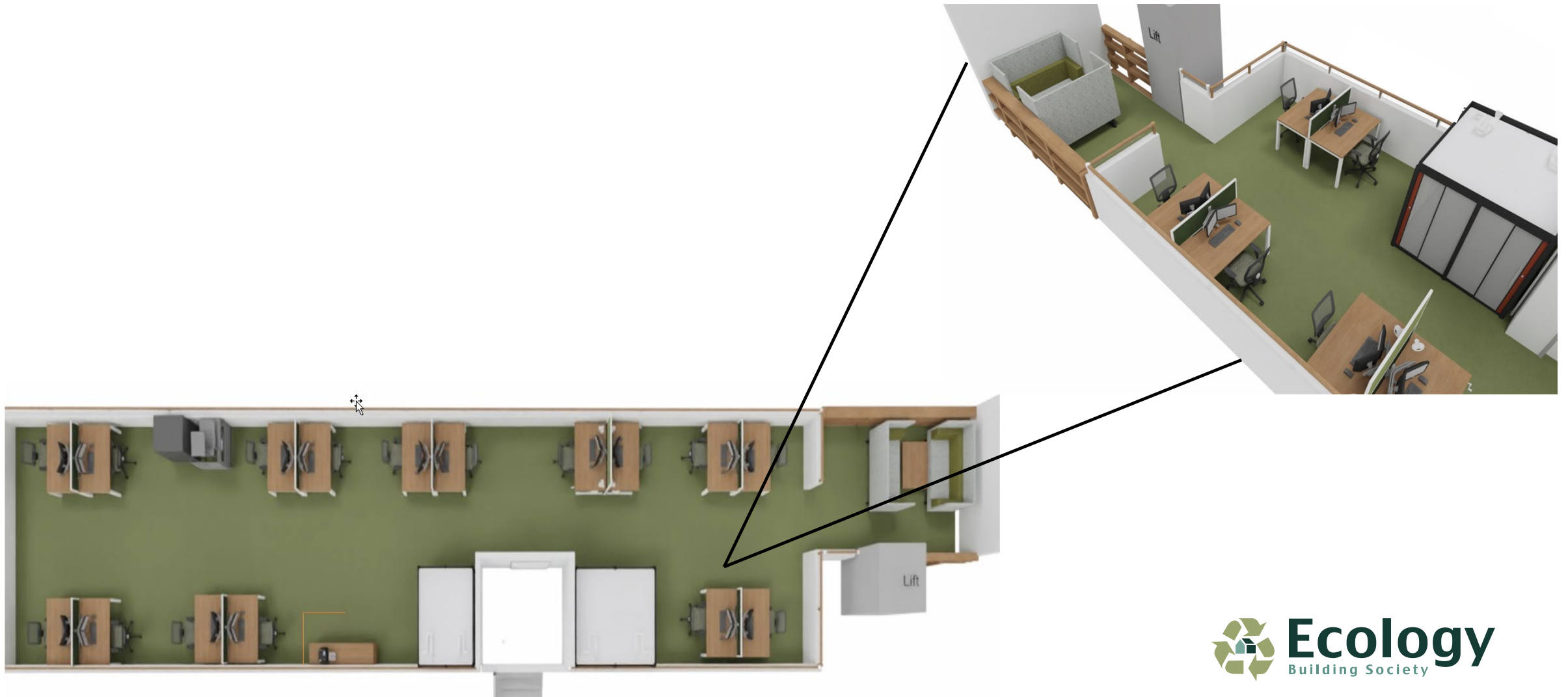
Silsden Head Office



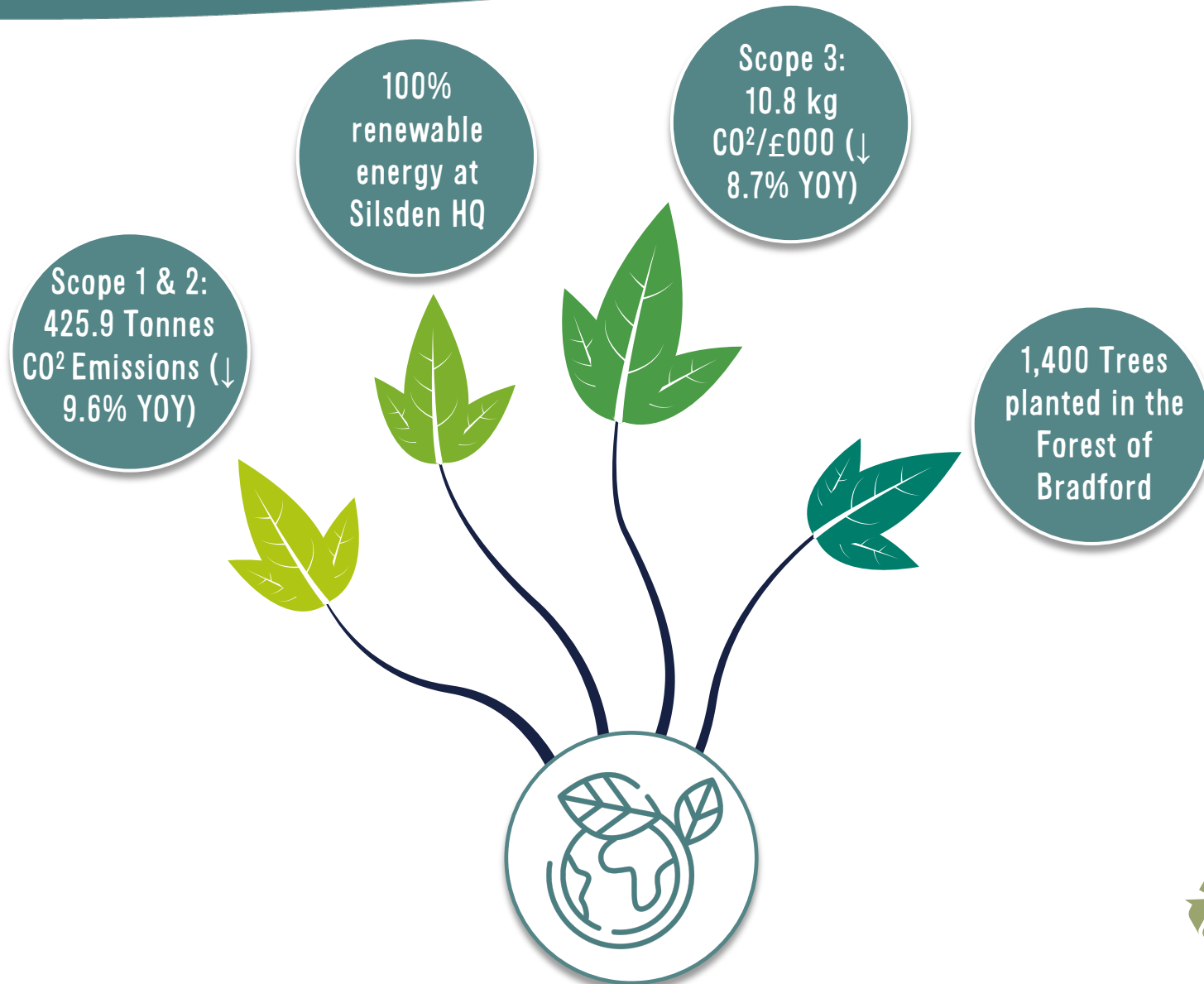
Silsden Head Office



Silsden Head Office



Delivering the Mission



Delivering the Mission



Mortgage Finance Gazette:

- Best Self Build Lender
- Lifetime Achievement Award



Exhibitions:

- Harrogate
- London
- NEC



House of Lords:

- Call for evidence provided to the Environment and Climate Change Committee



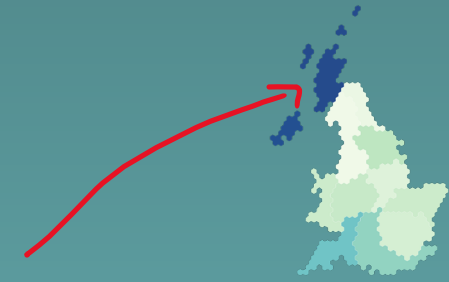
Parliamentary Activity:

- CLT Reception Hosts
- NaSCBA Reception Hosts

North West Mull Community Woodlands Co



Ulva



6 energy efficient houses

Sustaining a local school and local shop



Brighton and Hove CLT



Brighton



Long term affordable housing
for a Student co-op

Affordable rent for a population
for whom this is a major issue



Stables Yard



Beckenham



6 EPC A Homes

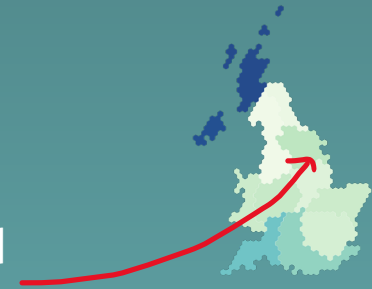
Used Passivhaus principles, with
Solar PV, MVHR and ASHP



5 Rivers Cohousing



Sheffield



22 New energy efficient homes

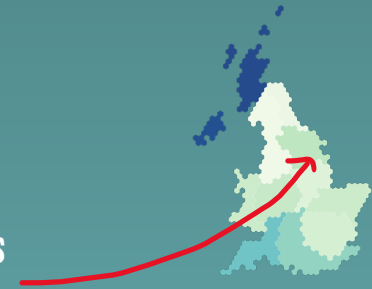
Accommodation offered at reasonable prices for purchase and rental



Chapeltown cohousing



Leeds



29 New energy efficient homes

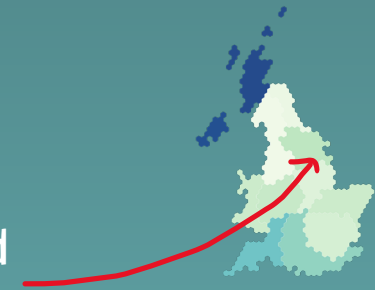
Reuse of a derelict site in Leeds



Sustainable Shell Homes



Sheffield



14 New energy efficient homes

Buyers can choose a finish of their choice



Co-housing Bristol



Bristol



6 New energy efficient housing units

Renovation of a dilapidated farm site just outside the City Centre



Operationalising our strategy

Vision: A Fair society in a sustainable world

Mission:

A member organisation dedicated to improving the environment and society by enabling sustainable building and communities

Impact

People and the environment benefit from homes with good ecological performance

People and the environment benefit from sustainable communities

People and the environment benefit from a fair and sustainable economy

Outcomes

Our lending funds ecological buildings that are better for people and the environment

Our lending and business activities promote responsible management of resources and materials

Our lending creates community-led housing and sustainable communities

Our lending increases innovation in sustainable design, retrofit, construction and materials

Our inclusive community of members creates positive impact

Our activities catalyse change in the financial system for a fair and sustainable future

Strategy

Impact-led products and services

Collaboration and knowledge share

Agitation for change

Activities

Product Range Review

Transformation Programme

Project Pedley

Enablers

Aligned Purpose

Strategy Enablement

Effective Processes

Strong Leadership

Effective Controls

Member Led Culture

People Capabilities

Shared Information

Values

Fairness, Openness, Responsibility, Cooperation, Activism

Vote – Resolution 1



**To receive the Annual Report and Accounts
for the year ended 31 December 2022**



Auditors

Tim Morgan

Non-Executive Director



Auditors

- We ask our Members to authorise the reappointment or selection of a new auditor each year at the AGM
- The Audit Committee leads on recommending the auditor
- BDO who are a medium sized firm became the Society's auditors for the first time in 2020 and have continued to worked very constructively with the Ecology team during 2021 and 2022
- Having taken into consideration Members views, we are recommending their reappointment this year.

Vote – Resolution 2



To re-appoint BDO LLP as auditors



Remuneration Report

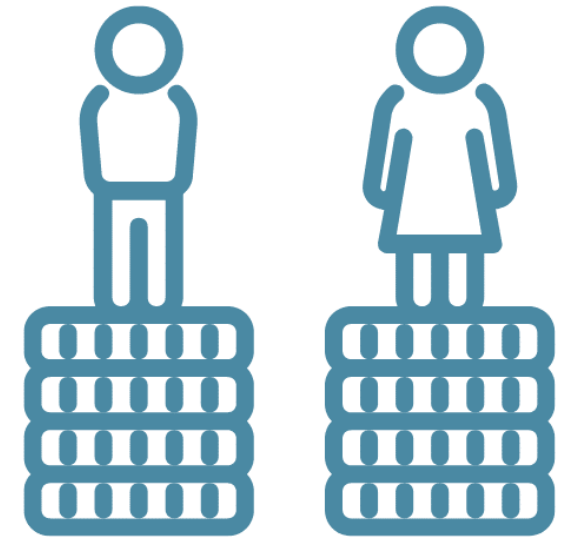
Andrew Gold

Non-Executive Director



Remuneration Report

- Continuous commitment to fair pay for all
- Retention of living wage accreditation employer status
- Cost of living support via additional payments to colleague body
- 2022 pay ratio with 5.68 (2021: 6.72) compared to 8 to 1 highest to lowest pay limit
- Continued oversight of all Executive Director remuneration policy matters



Remuneration Report



- Policy evolution to support recruiting of colleagues.
- Redesign of pay framework.
- CFO recruitment in 2023 tested market rates.
- CEO remuneration in 2023 reflects 2022 performance.
- Evaluating long-term rewards approach aligned to delivery of Ecology's 2030 strategy.

Vote – Resolution 3



**To approve the Directors' Remuneration Report
for the year ended 31 December 2022**

Election of Directors



Vote – Resolution 4.1



To elect
Giovanni D'Alessio



Vote – Resolution 4.2



To elect
Karl Jaedon Green



Vote – Resolution 4.3



To elect
Gareth Charles Griffiths



Vote – Resolution 4.4



To re-elect
Kerry Jean Mashford



Vote – Resolution 4.5



To re-elect
Louise Margaret Pryor



Board of Directors



Giovanni D'Alessio



Karl Jaedon Green



**Gareth Charles
Griffiths**



Louise Pryor



Andrew Gold



Kerry Mashford



Vince Smith



Voting results



Closing Comments

Louise Pryor, Chair



Closing comments

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

Please email agm@ecology.co.uk if you have any further questions for our Directors or the Ecology team