

2026 Annual General Meeting – Q&As

We received the following questions/comments prior to and during the AGM and set out our responses below.

- 1. *The summary statement maintains that the society "champions" diversity and inclusion. Do any of the board members have disabilities?***

Yes, at least one director has notified us of their disability.

- 2. *If the board members "champion" diversity, why are there no non-white directors on the board?***

Our approach to Board recruitment is inclusive and non-discriminatory, with a strong emphasis on securing the right mix of skills, experience and perspectives. While we are committed to diversity in all its forms, we do not set targets beyond gender where this could compromise the Board's overall effectiveness.

More broadly, the Society itself reflects a diverse workforce, with over 20 national identities represented and more than 15% of colleagues identifying as having an ethnic background other than white.

- 3. *To have a wide range of perspectives, it is important that the board has a wide age range. What are the ages of the individual directors? Can the AGM have an assurance from the board that this relevant information will be included as a matter of routine in future annual reports?***

There is currently an age range of around 17 years across the Board, from 53 to 70. We believe diversity of perspective comes from a range of factors beyond age, and we do not intend to include directors' ages routinely in the Annual Report.

- 4. *In future annual reports, please could board members' profiles include a line or two about their off-duty leisure interests so that they come across as more rounded individuals?***

We have considered this, but do not intend to include leisure interests, as we believe this is unlikely to be of significant interest to most members.

- 5. *In 2023 the HBS made profit for the year of £889k. This was relatively clean in terms of major provisions or fixed asset gains. In 2025 the HBS made profit for the year of £492k. However, this was after £312k fair value gain on investment property and £21k release of impairment provisions (surprising given the worsening economic situation and contrary to many other financial institutions). Without these two credits, the profit for the year would have been £169k (assuming no tax change), a fall of over 80% in two years. Clearly this is not***



sustainable. What steps is the HBS doing to reverse this trend - both from a revenue and cost front?

It is right to look beyond the headline numbers. While 2025 profit included some non-recurring items, it also included significant one-off costs, including system investment and property works.

Adjusting for these, underlying profitability remains broadly stable year-on-year. We are therefore not seeing a structural decline, but the impact of timing and planned investment.

Looking ahead, we are focused on strengthening sustainable profitability through new products to improve income, alongside efficiency gains from our system upgrade and continued cost discipline.

6. ***Is the HBS going to introduce any loyalty accounts paying better rates of interest? I have been a member for some 30 years but live out of the area, so the new account you have recently introduced for those who live locally is not available - which seems to be discrimination and not rewarding loyalty at all. It is likely that many account holders will move out of the 4 counties over this time period. I have many options where I place my savings but based on the two points above you are not making it easy, especially when I get higher interest rates on my savings elsewhere.***

We recognise the importance of rewarding long-standing members and keep loyalty-based products under active review.

At the same time, we must balance fairness, competitiveness and long-term sustainability across our full savings range.

Our local products are designed to support our regional mutual purpose, and while eligibility is geographically based, all members continue to have access to our wider product range, which we aim to keep competitive.

7. ***Given tightening interest rates in the wholesale markets, what assurance can the board provide that it has more than sufficient liquidity going forward? Clearly these shocks (as with Ukraine) are becoming more common rather than one off events.***

Liquidity resilience is a key priority for the Board. We carry out regular stress testing using severe scenarios and maintain a strong liquidity buffer within clearly defined risk limits.

Our liquidity position is monitored daily, supported by forward-looking cashflow forecasting.

In addition, we have access to the Bank of England's facilities if required. Taken together, this gives us confidence that the Society is well positioned to withstand ongoing market volatility.

8. ***Other Building Societies disclose Senior Management pay and Non-Exec fees and this was not disclosed in the Member Review and Summary Statement, and the financial information was very light - profit is down but no reference is made in the document***

Please, for next year this data should be clearer as being opaque is not good.

The profitability point is addressed above.

In terms of the remuneration disclosure, the Member Review and Summary Financial Statement is designed to provide a concise overview rather than replicate the full Annual Report.

Full details of directors' remuneration are available in the Annual Report and Accounts on our website, and we will continue to ensure that information is accessible to members in that way.

9. ***Has the Society considered hiring the Harpenden Hopper to transport members to the AGM?***

We will consider whether this would be feasible when reviewing the arrangements for next year's AGM.

10. ***Your savings book has not grown as fast as your mortgage book in the past 12 months. Does this give rise to any liquidity issues?***

No, liquidity is well in excess of our internal buffer (currently 20%) and could drop as low as 16-17% and the Society would still be sustainable.

11. ***Is it part of your strategy to sell your freehold properties and rent your premises in the future?***

We are in the process of selling Station Road including the flats above the former branch. We are not professional landlords and see more value to our members in selling the freehold title and leasing a unit on the High Street, which is more accessible to our members.

12. ***What is the ratio between borrowers and savers?***

Out of a total membership of around 11,000 members eligible to vote about 1,000 are currently mortgage customers.

24 April 2026