

YOU'RE
MAKING **THE**
DIFFERENCE

TAKE THE FIRST STEP

The Cambridge is firmly committed to its community, finding ways to help people have a home and providing a trusted place for those wanting to save.

With our roots and heritage firmly in and around Cambridge, we regularly see the challenges faced by those in our local community who want to have their own home. We know we're in an exceptional position to be able to make a difference to more people who couldn't buy without our help.

WE'RE PROUD OF THESE FOUNDATIONS

and are dedicated to finding innovative ways to help those who need this helping hand.

Our first initiative, the First Step Mortgage, is designed with first time buyers in mind and only requires a 2% deposit. This mortgage is available to anyone looking to buy their first home within a 15 mile radius of our branches or stores.

So if someone you know is looking to make that first step then visit **cambridgebs.co.uk/firststepmortgage** for more details.

Our next initiative, Rent to Home, will be unveiled to the public on 17th April. We'll email you with all the details after launch.

HELPING US HELP YOU

**OUR INVESTMENT IN HELPING OTHERS
CAN ONLY BE MADE BECAUSE OF
MEMBERS LIKE YOU.**

By supporting your Society, you make us a success and this in turn allows us to deliver initiatives and partnerships that are outside our normal commercial focus. Your continued support and use of our products and services helps us work in this unique way. And we'd like to think that you'd be happy to recommend us to others so we can help even more people.

We're proud to have you as a member of The Cambridge, knowing that together we can Make The Difference.

Find out more at
cambridgebs.co.uk/makingthedifference

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Your Cambridge

The magazine for Cambridge Building Society members 2019



**THE
CAMBRIDGE**
Building Society

cambridgebs.co.uk

2019 community calendar

February – April

March

29th

April

15th

May

8th

12th

May – July

July

TBC

August – October

September

15th

**November –
January 2020**

YMCA:
partnered charity

YMCA Sleep Easy
sleep out

Annual General
Meeting

Perse Lecture:
Reading your DNA:
what can it tell us?

Sawston Fun Run

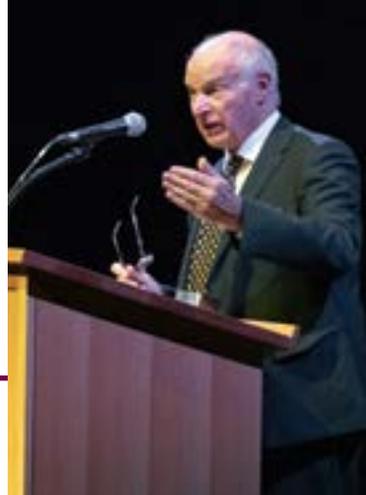
Wood Green
Animal Shelter:
partnered charity

Community
Magazine Awards

Tom's Trust:
partnered charity

Bridge the Gap walk

Cambridge Re-Use:
partnered charity



Perse Lectures

In 2018, we started our partnership with The Perse School as a sponsor of their community lecture series. With similar values to us, The Perse put on these lectures as part of a far-reaching community programme. The series brings fascinating speakers to a local audience where they share their expertise. For 2019, we'll be continuing this series which enables our members to get hold of exclusive tickets for each of the lectures. You can find the details of the next lecture 'Reading your DNA: what can it tell us?' in the community calendar and more information at cambridgebs.co.uk/PerselectureMay

Sweeten your spending

Top tips to happy savings

One – swap jam jars!

1

Cash ‘under the mattress’ misses out on interest payments – you could pay into an easy access saving account and start building your money pot. Open an easy access account with £1 or £100.

Four – loyalty

4

Use an app to load your loyalty cards, or store them in your phone’s wallet. It will lighten your pocket and ensure the card is to hand when you make your purchases.

Two – revolution

2

Choose a budget supermarket and discover how much you can save on your weekly grocery bill by writing a list and sticking to it.

Five – save more

5

Only purchase what you need. Avoid the lure of a sales promotion: there’ll probably be another offer coming up when you really need it.

Three – Christmas!

3

Start saving NOW and limit the extent of a long January 2020. Even a small amount saved each month will lighten the expense in December and make your celebrations more affordable.



Six – less ‘stuff’

6

Did you know ‘stuff’ is becoming less important to us as a nation? There’s a growing momentum towards ‘experience’ rather than gifts. And old ‘stuff’ ends up in charity shops (a good outcome) or landfills!

Seven – benefits

7

Make use of your benefits – many organisations offer purchase discounts as part of an employee benefits package. Find out more and make good use of what’s available.

Eight – entertainment

8

Free entertainment – not everything costs money: do your research and find out which leisure activities are free of charge.

Nine – feel-good

9

The feel-good factor – saving money makes you feel good!

Security rules – okay!

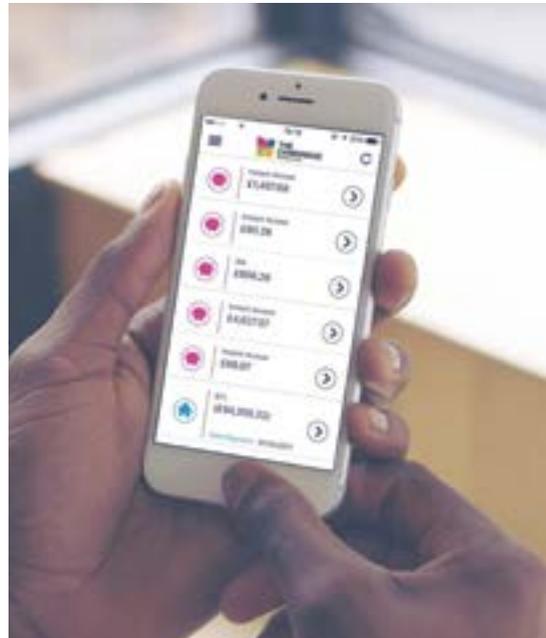
We live in a world where the word ‘security’ pops up every day. You’ll see and hear it reported on TV and radio, you’ll read about it in print or online and repeatedly we’re informed to be vigilant when travelling, using public transport or even opening our mail. And, as we know, security threats can be digital or physical, personal or global: it’s all relative.

When it comes to your finances, you can rest assured security at The Cambridge is an agenda item that sits high on our list and is an integral part of our reputation which we have nurtured for nearly 170 years. In fact, we discuss, write or act on aspects of security every day because it’s vital to you, our members, and fundamental to us as a Society.

In our branch network, our staff are trained to question any irregular activities or requests, and having good relationships with their customers means they’re ideally placed to query activity they believe to be out of the norm. Similarly, online transactions are monitored and can be subject to additional checks before they’re processed or access is granted. Recently we’ve introduced fingerprint technology and facial recognition (iPhone X and above) as part of our security process for the Apple version of our Money App.

So, while this is all rather sobering, it’s important that we share our effort and commitment to keep our members’ interests secure.

It’s recognised that we live and work in a digital age and increasingly we want our members to feel comfortable and confident about accessing their savings accounts and mortgages online. We know this is an option that, for some, will take time and trust, but we’re ready to help members along the way, at the right time for you.



Here are a few top tips

1 Make sure passwords are complex, e.g. a mixture of numbers, letters and special characters, and use a different password and / or PIN for each website.

2 Never share your personal banking information with others – or with anyone purporting to be The Cambridge, or any other financial institution – who may contact you by email, phone or letter. If you're worried, please do get in touch. AND remember: we'll never send you a link to the login page by email.

3 Make sure you have an updated antivirus / antispyware software and firewall running before you log in to your financial accounts.

4 Try not to use public places like libraries and unsecured public WIFI connections to log in to your account – you've no idea what security measures they have in place so it's better to be safe than sorry.

5 When visiting our website whether it's from an email we've sent you or by entering the web address into your browser make sure you look for the padlock – the symbol will be in the status bar at the top of the screen and shows you're on a secure site.

6 Stop and think how a company would normally contact you – does the way they're addressing your letter or email sound normal i.e Dear Sir / Madam isn't a phrase we would use when speaking with you regarding the detail of your accounts.

If you've received an email you think is from us, but aren't sure, just forward it on to us at phishing@cambridgebs.co.uk

7 Log in to your account regularly – if anything doesn't look as it should contact us straight away on 0345 601 3344. For more information on keeping safe online, visit cambridgebs.co.uk/security.

Society performance

Chairman Jonathan Spence reflects on 2018 and looks forward to the year ahead.

Your Board went into 2018 aiming to build on the strong foundations laid down in recent years. It's proven to be another successful year and we've continued to invest in our technology and people to ensure that we remain relevant to the changing requirements of our members.

For example, alongside the continued expansion of digital options, the investment in our Central Cambridge Store demonstrates the Board's commitment to delivering an integrated service where members choose when and how they interact with the Society.

As The Cambridge continues to grow and expand we're well aware of the need to demonstrate an understanding of where our roots lie. Thanks to the foresight of many people from in and around Cambridge, the local economy has benefited from having a Society that is in tune with the needs of the community and we have no intention of forgetting that responsibility.

The launch of Making The Difference is a long-term commitment by the Society to fulfil our purpose which is: *to actively find ways to help people have a home by supporting people who couldn't buy without our help and working with groups in our community who offer services for shelter and housing.* You'll find more information further down in my report.

Performance of The Cambridge

Following a period of significant investment in all aspects of the Society your Board is committed to increasing profitability to ensure

we deliver sufficient levels to fund future growth, continue to invest in change and support our community commitments through Making The Difference. In line with this aim the Society's financial performance is very pleasing as we have delivered Profit Before Tax of £3.8m while investing £0.7m in a variety of service improvements for the Society's members.

2018 saw a narrowing of the margin between mortgage and savings interest rates but this squeeze has been offset by continued growth of our core income stream, growth in mortgage balances, while maintaining a focus on keeping operating costs static. The underlying amount spent on operating our day-to-day business has been broadly static for three years and this is a clear demonstration of the return on the investments we have made in technology, as well as continued commitment to improving efficiency and removing any waste across all aspects of our business.

After a slow start to 2018, momentum built culminating in a record lending year with The Cambridge advancing £349m of new mortgages while maintaining highly prudent levels of liquidity. This strong level of support from both existing and new members led to The Cambridge's balance sheet growing by 18.2%.

Society performance

(continued)

In the fast developing world in which we all live it's important that The Cambridge continues to meet our customer expectations and 2018 has seen a number of improvements. To highlight a few:

- Savers can now use The Cambridge Money App to add to their online savings accounts using their debit card
- The majority of withdrawals in our two newly revamped stores are now paperless, cutting down on waste and improving the experience for savers
- Borrowers reaching the end of their product term can now choose between sitting down to discuss their options with a Mortgage Adviser or a self-switch option should they wish

I'm particularly interested and pleased to note that some of the highest levels of satisfaction are being reported by customers who are using our integrated delivery channels – the combination of branch service, telephone support, online and mobile technology – to manage their finances.

Helping members have homes

I've already mentioned our record lending year which resulted in a net increase to the mortgage book of 15%. This equates to 2,556 new borrowers during the year who we've helped have a home. Much of this growth was achieved in the second half of 2018 as we built momentum in the market following a planned slowdown in late 2017. Thanks to our strong

performance in 2018 this is not the case as we head into 2019.

While offering competitive prices is key in achieving mortgage book growth, we believe that providing a high level of customer service is equally vital as we help people navigate through the house buying or remortgage process. This statement holds true whether we're helping people who have approached the Society direct or have been introduced by one of our intermediary partners.

Helping members save

Since the financial crash in 2008 savers have had to live with levels of return that were often below the rate of inflation so it's been a welcome relief to start to see net returns increasing in 2018. While we accept that returns have been low it's worth noting recent research issued by the Building Societies Association that showed that savers in building societies earned £775m more interest than if they had saved the same funds in a bank.

Increasing numbers of savers are looking to maximise returns by moving into fixed term products and this requires the Society to improve the way in which we help them navigate through the maturity process. As part of our ongoing commitment to improving customer service the launch of an automated, self-service maturity process has been welcomed by many of our members.

Our communities

As I indicated earlier, Making The Difference is our 2018-launched commitment to fulfilling our purpose. The Society was born from a desire to help more people have a home of their own and that purpose remains today. The challenges may be different to those faced in the 19th century, but the inherent desire to own a place they can call home is widespread amongst our community.

We make no apology for being ambitious with our plans to find innovative ways to help extend these aspirations to beyond those who have the means to 'go it alone' by supporting those who need a helping hand. Over the coming years we will launch a range of unique propositions and partnerships designed to support those in our communities with housing and homes. Our first initiative, the First Step Mortgage, was launched in September 2018 and was well received by members and commentators alike, as the need for support for borrowers with low deposits is well recognised. Our next initiative, Rent to Home, will be announced at our AGM in April.

The future

As you'll be able to tell from the tone of my report the Board and I are delighted with what the Society has delivered in 2018 and are particularly pleased to report that we are helping increasing numbers of people find a home. We are equally aware that now is not the time to become complacent and we've set ourselves the challenge of maintaining focus, building a fully sustainable business that's well placed to thrive into the future and for the long term.

There's no doubt that 2019 will be a challenging year as we react to the evolving

political and economic impact of the UK's move away from the European Union. To manage this changing picture the Society has developed flexible plans for 2019 that will see the organisation's managed growth continue while being acutely aware of the need to achieve capital replenishing profitability.

In 2019 the Board will remain focused on delivering our vision of a 'digital Society powered by people' as demand for digital services grows apace.

We will continue to listen to your feedback that is telling us loud and clear that you value the convenience delivered by our mobile and online-based services but equally value the opportunity to talk to us face-to-face when you need to make significant financial decisions.

Alongside the financial and business objectives we've set ourselves for 2019, I'm equally focused on demonstrating the importance of our *Making The Difference* programme and embedding a deep understanding in both our teams and our members, of the value The Cambridge Building Society brings to our local community.

No one can predict how 2019 will evolve and so my clear message to the business is that we must remain calm, not overreact to each breaking news story and remain true to the guiding principles that have served The Cambridge Building Society members well over the last 168 years.

Jonathan Spence

Chairman



Your new Central Cambridge store

Pop in today and see how we've changed.

**4 St Andrew's Street
Cambridge CB2 3AX**

A new-look store, just around the corner from our original location, combining digital and assisted-service technology with face-to-face expertise.