

POST-EVENT SUMMARY

JANUARY 2023

This pack has been created to provide a summary of what was covered at December's virtual events and it may help to support you in defining your 2023 individual and team objectives.

**OUR
BLUEPRINT:**

**ALL
OF US**

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THE 'WHY': OUR PURPOSE



We exist to provide Real Help with Real Life.

For over 150 years, we've been providing long-term value for our members, alongside helping people to find a place to call home and build their financial wellbeing.

All of us make a real difference to the lives of our customers, and in 2023 and beyond we want to do that for even more people.

"We're a *good* business, but I know that we're set up to be a **great** business. We're good at delivering Real Help with Real Life. But we can build on that to become **great** at delivering our Purpose."



Alasdair Lenman,
Interim Chief Executive Officer

A PLACE TO CALL HOME

We're here to help people to have a place to call home and this includes supporting first time buyers and house movers through our strong mortgage capability.



FINANCIAL WELLBEING

We want to help everyone to improve their financial wellbeing; from building up their savings, to providing financial support in our local communities and through our partnership with Citizens Advice.



MEMBER VALUE

Staying true to our mutual model, we continue to reward customers – not shareholders. We give back through our interest rates and re-invest towards the services we provide; building a stronger society for the future.



THE LOOKBACK: OUR BLUEPRINT SO FAR

Since 2019, our Blueprint has given us much-needed direction at a time when everything felt uncertain.

We've delivered the single largest programme of investment ever known at YBS; including service, product pricing, digital capability, and simplification; as well as regulatory, risk management and financial crime improvements.

It's accelerated our growth and made us a more financially stable and more digital organisation than ever before.

Not everything's gone to plan – we've had frustrating delays and challenges - but we've built new change capabilities that'll sustain YBS for years.

Our incredible performance across our three core business areas of **Savings, Mortgages and Commercial Lending** has helped us to deliver sustainable Member Value and provide Real Help with Real Life when needed most...



“Without you, we couldn't have made it happen. All of us got behind Our Blueprint and as a result, YBS is more than surviving in this uncertain world. Together, we can move forward with confidence to achieve even more amazing things in 2023 and beyond. **Thank you!**”

Kate Ireland, Chief Internal Audit Officer

“We have a compelling set of transformation priorities and what we've achieved since launching our Blueprint is nothing short of remarkable; it's changed YBS forever.”

Richard Wells,
Chief Risk Officer



£5.5BN

savings growth in the first 10 months of 2022.

(more than 2012 to 2019 combined)



Paid more to loyal, variable rate savers than any other comparable institution.



Generated some of our best-ever savings NPS.

30%

Increase in our Commercial Lending book to a value of **+£1.4bn.**

£400M

Smashed our Commercial Lending target for 2022.

>£3BN

Increase to our mortgage book for two years in a row.

We've kept our customers front and centre of everything we do.



Watch Richard and Kate look back at our progress so far.

THE STRATEGIC CONTEXT: 'REAL LIFE'

We recognise that our customers, colleagues, and YBS are facing **Real Life challenges**; caused by...

- The **war in Ukraine** bringing big rises in energy and food costs.
- Unprecedented UK **political instability**, including September's 'mini budget'.
- The continuing impacts of **Brexit**.
- The ongoing legacy of the Covid-19 **pandemic**.
- Inflation (the **cost of living**) and dramatic interest rate rises.

All of these are having a huge impact on many people's financial wellbeing.

More and more people need Real Help with Real Life

THIS BRINGS RISKS FOR YBS...

Members are likely to withdraw more of their savings and this market is becoming more competitive.

Our operating costs, such as energy bills, are higher.

Borrowers may struggle to meet mortgage repayments and arrears are likely to rise.

The markets are volatile.

BUT ALONGSIDE THE RISKS, THERE ARE OPPORTUNITIES...



"It's not all doom and gloom; there are also opportunities ahead. We know we can deliver in times of turmoil.

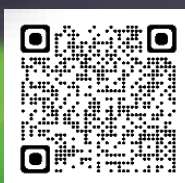
We're financially strong, we know how to manage risks, and our scale allows us to be agile.

The strength and relevance of our Purpose, and Our Blueprint foundations set us up well."

"Uncertainty, concern, and extreme volatility have become the norm. We need to be ready to act or respond quickly as there's so much that we don't yet know and can't control."



Rob Purdy, Interim Chief Finance Officer



Watch Rob talking about the 'Real Life' strategic context.

THE LOOK AHEAD: 2023 AND BEYOND

2023 will be a year of transition - finishing what we've started - but looking ahead to the next stage of our transformation while maintaining our business as usual activity. We'll do this by:

- Understanding and delivering on customer needs, particularly for savings.
- Increasing our ability to deliver change rapidly.
- Developing intuitive mobile centric experiences built around our customer needs.
- Leveraging technology and open finance to transform propositions and build new ones.
- Building personal experience into every service and every touchpoint.
- Continuing to invest in our market-leading mortgage business.

“In 2023, the third year of Our Blueprint, we'll build on our momentum. We now have a market-leading mortgage business, but there's still a huge opportunity for savings. **Now isn't the time to sit back or to stop what we're doing**”.



David Morris,
Chief Commercial
Officer

“We need to respond to our customers' rising expectations and our competitors' rapid evolution”.

We want to become the 'go to home for savings' and so we'll offer a unique customer proposition, one built on three big ideas...

We'll always offer great value. Customers can rest assured that they'll always get good deals.

We'll be effortless to interact with. Our processes and channels will make life easy for our customers.

We'll offer remarkable support.

Critically, this is the one to differentiate us from our competition. We'll act as a champion for savers with a 'human when it matters' approach. And even when they don't, we'll still be working for their cause – providing value and a voice in the industry.

We need to accelerate our transformation to see us move from *good* to **great**.

So, with a stretching and ambitious vision for savings, we've adapted Our Strategic Blueprint Priorities accordingly.



Watch David looking ahead to 2023 and beyond, for more details

THE 'WHAT': OUR 2023 STRATEGIC PRIORITIES

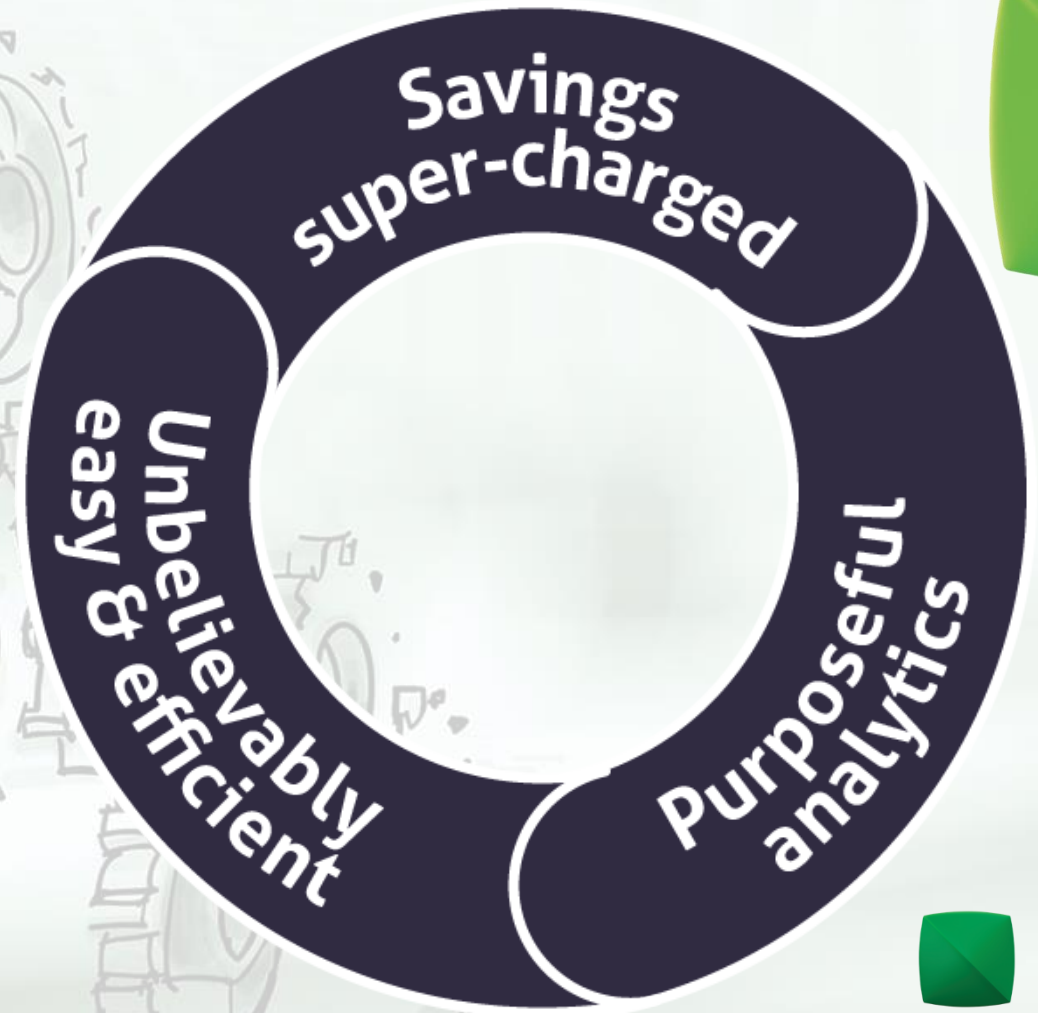
We've refined our existing Priorities from four to three. These underpin how we'll continue to transform YBS, and deliver our Purpose of providing Real Help with Real Life:

- **Savings Supercharged.**
- **Purposeful Analytics.**
- **Unbelievably Easy and Efficient.**

We lose Properly Personal Experience as an individual priority.

Instead, it becomes a key focus for savings, as it's so heavily embedded in our savings transformation. We will, of course continue to provide that personal service across all areas of the business, as we know it's valued and appreciated by our customers, members and brokers.

So, here's the plan for each priority...



OUR PRIORITIES FOR 2023

SAVINGS SUPERCHARGED

Two years ago, our savings business needed a fundamental jolt – it needed to be rebooted.

Since then, our savings performance and savings NPS prove we're doing well, but how we're doing today will not be enough tomorrow, or in three years' time. We want to move our savings business from good to great – to supercharge it.

Our next phase of transformation is all about improving our service capability, because for every day we improve, our customers' expectations get higher too.

We've now evolved Savings Rebooted to Savings Supercharged, as we have even greater aspirations.

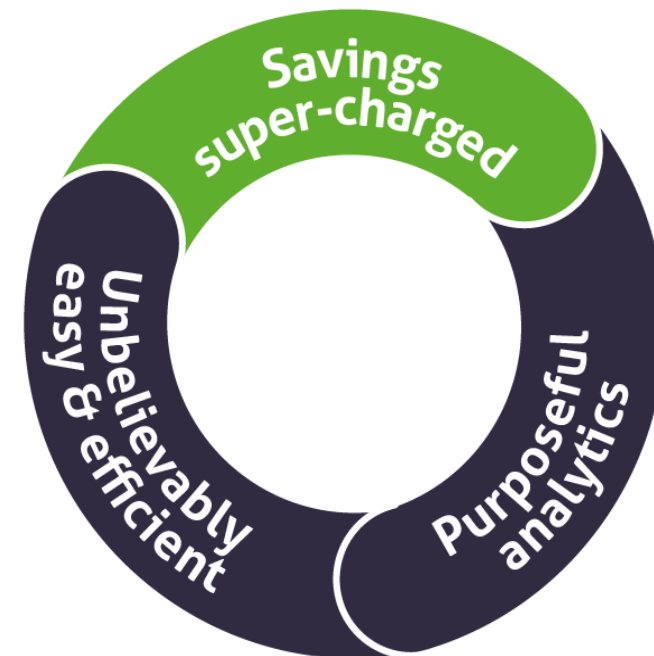
We want to become the 'go to home of savings' for our target customers.

For the first time in over a decade, savings are profitable, so the market is becoming more attractive, but more competitive.

Savings Supercharged is about purposeful propositions that support the financial wellbeing of members, reward member loyalty and offer the best value we can, alongside digital processes that compare favourably to both financial services providers and the best in other sectors like Amazon.

So that our customers are confident that their savings are in the best place, we'll focus on providing:

- 1 Effortless interactions
- 2 Fast & frictionless payments
- 3 Visibly better offers



Watch Chris Irwin, Director of Savings, outlining the future for Savings Supercharged.

OUR PRIORITIES FOR 2023

PURPOSEFUL ANALYTICS

Our data capabilities are going from strength to strength and enabling us to make great decisions, especially around mortgages.

Keeping this as a priority in 2023 means we'll take advantage of huge future opportunities to **drive even better decision-making**.

We want to become the best mortgage business in the industry by 2026. We'll be focusing on three key priorities:

1 FIT FOR PURPOSE

Fit for purpose systems, so that we can keep pace with the wider market.

2 DATA DRIVEN DECISIONS

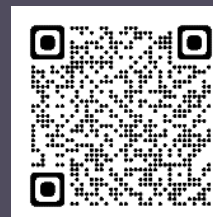
Data driven decisions, that are based on what customers, colleagues or the market wants or needs.

3 PURPOSEFUL OUTCOMES

Purposeful outcomes, that will extend our offering to under-served borrowers, strengthen our financial strength and pro-actively support borrowers (e.g. by forecasting arrears).

It'll include launching even more purposeful propositions, introducing new mortgage technology, and some steps forward in our servicing propositions.

A lot of this activity will happen behind the scenes for some teams, but the benefits will be Society-wide.



Watch Amy Cookson, Interim Director of Balance Sheet Management, outlining the future for Purposeful Analytics.

OUR PRIORITIES FOR 2023

UNBELIEVABLY EASY AND EFFICIENT

We've already made good progress in digitising and modernising our business through this priority – in both very visible and less obvious ways. And it's had a direct impact on retention and recommendations.

In 2023 we'll take it to a whole new level of automation and efficiency, simplifying and streamlining more of our processes, digitising more of our services, and delivering more change than ever before.

- We'll move direct mortgages onto MSO (our mortgage sales platform).
- We'll fix complicated or unclear processes – so please speak up where you see them, don't 'walk past that broken window'.
- And we'll invest in tools and training to support colleagues.

Remember: Even if we're not all *directly* working on delivering our strategic priorities, **all of us** will be involved in some way of providing competitive, purposeful products and offering our customers, brokers and each other a market leading service.

We all have a role to play in delivering our purpose and being easy and efficient to do business with.



Watch Ben Sampson, Director of Business Transformation and Patrick Connolly, Director of IT and Transformation, outlining the future of Unbelievably Easy and Efficient.

IN SERVICE OF THE CUSTOMER

Our transformation is built on permanent foundations - namely our Purpose.

We already have market-leading digital acquisition. We now need to extend that capability to service - essential to delivering our savings and mortgage visions.

Although most customers share similar fundamental needs - simplicity, ease, return, choice and control, and support - it's not one size fits all.

In 2023 - and beyond - we'll have a much sharper focus on everything we do being in service of our customers.

We'll ensure that our customer experiences are as smooth and as effortless as possible, that our technology keeps pace with the market, and that we deliver what our customers are telling us they want.



Watch Brian Reynolds, Interim Director of Retail Distribution, Cara Holbrow, Interim Director of Customer Services, and Tom Simpson, Director of Commercial Lending outline customer servicing needs in 2023 and beyond.

The ease and simplicity of our digital functionality will work hand in hand with the empathy and expertise of colleagues. We're well placed to deliver on these customer needs because:

Our mutual status means it's in our DNA to offer value back to members and act in their best interests.

Our scale means we're big enough to matter, but small enough to care.

Our people provide outstanding empathy and service (and we can do it face to face, across the UK).

Our digital model is meeting customers' emerging needs.



"It's not one channel or another, it's whatever's the quickest and simplest way to get my problem solved."



"If you have the mortgage on the same app as the banking, you can see the transactions, and maybe pay off a bit more each month."



"An intuitive interface, preferably an app, but to have options to go into branch too."



"I want to be able to speak to a real person about me, my life, my goals and my savings."

THE 'HOW': OUR BEHAVIOURS

“Our Behaviours are key to unlocking our full potential.

They are ‘how’ we’ll continue to transform our business, deliver our Purpose, and move from **good to great.**”

Orlagh Hunt,
Chief People Officer



Steve Williams OBE, two-time Olympic gold medallist, adventurer, and leadership coach shared his inspiring story and tools, to help us think about how we reach for better and achieve our full potential.

Here are some of Steve’s words of wisdom...

Although the external landscape continues to change around us, our Behaviours remain the right ones for YBS.

We designed the Behaviours knowing it’d be a big challenge to consistently bring them to life and to take personal accountability for demonstrating them.

There are some really great examples of what colleagues are already doing, but **there’s more we can do.**

At the events, the majority of you told us that you only see the Behaviours in action ‘some of the time’.

We can learn a lot about mindsets and Behaviours from outside YBS - things that will inspire and energise us to create a behavioural and cultural shift.

“You could rename your Behaviours ‘how to win an Olympic gold!’”.

“The first question of the day should be ‘how are you’ because – in a team - if one of you is having a bad day, you’re all having a bad day”.

“Anyone can say anything, as long as it’s because you fiercely care, and it’s to make the boat go faster”.

“Learn by doing - you don’t win by talking”.

“What won gold last time won’t even get you in the final next time”.

“It’s not just the people in the boat who win gold”.

“Great teams offer help...even better teams ask for help”.

Watch Steve Williams share his inspiring story and tools.



2023 AND ME: THE ROLE OF OUR BEHAVIOURS

'How' we do things is just as important as 'what' we do – and **all of us** make a contribution.

As we each define our 2023 individual (My Blueprint) and team objectives, we must ensure that all of us are aligned with Our Blueprint, including our Behaviours.

Ask yourself or discuss within your team...

What you liked the most / what really resonated for you at the Our Blueprint: All of Us event?

How will your objectives help YBS deliver our Purpose or Priorities?

Is there a smarter or simpler way to get the outcome that you need?

How we make sure that we don't walk past broken windows?

Which of Steve's tools are you going to commit to using this year?

What can you do differently and consistently to help YBS become great at delivering our Purpose?

Where do you want to be at the end of the year and which of the Behaviours will help you to get there?

Do your objectives clearly articulate how you will challenge yourself and move forward this year?

You can learn more about our behaviours in 2023 and the tools Steve shared in this '[Are you ready to move your bit of the boat?](#)' intranet article.

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CHECK-IN
We care about people
We say it straight
- 

BACK OR BUILD
We make it happen
We say it straight
- 

EVERYONE MOVES THEIR BIT OF THE BOAT
We make it happen
- 

HOT WASH-UP
We reach for better
- 

POSITIVE CRITICAL
We say it straight
We care about people

For more general support with objective setting, see this '[Looking forward to 2023](#)' intranet article. There are three **new bite-size** videos available covering:



All of us can take personal accountability to bring our Behaviours to life and our objectives are a great way to do that. We all have the power to make this shift.

2023 AND ME: STEVE'S TOOLS



CHECK-IN

We care about people
We say it straight

A check-in that really asks the question 'How are you?'

The point of this is to share how everyone is upfront and then the plan can be adapted in advance – don't wait until you're in the boat to say you have a sore shoulder!

Empathy with an edge, caring enough to have difficult conversations.



BACK OR BUILD

We make it happen
We say it straight

Before the boat hits the water, the team need a plan.

The coach will offer a plan and then ask 'Does anyone have a better plan?'

This allows team members to share if they have any 'builds and if they can't 'build' on the plan then the team must 'back it'.

Essentially – once you are in the boat, you need to be all in.



EVERYONE MOVES THEIR BIT OF THE BOAT

We make it happen

Everyone must have clear roles and contribute towards the collective success, moving at pace with drive and purpose.

There are no passengers in the boat. This is prioritising action over perfection.



HOT WASH-UP

We reach for better

After a row the team discuss two questions:

- What went well?
- What could have gone better?

Olympic records are only as good as the second they are broken – you can't rest on your last results, you always have to be looking for the next opportunity.

This is curiosity and a growth-mindset, striving for continuous improvement.



POSITIVE CRITICAL

We say it straight
We care about people

A way of framing questions and feedback that allows for criticality but ensures it comes with clear positive intent.

Say it in the team huddle, no offence meant or taken.

Speaking up in the room, not out of it and being prepared to receive well-intended feedback.

“Our significant transformation will continue to be delivered by **all of us**.
Imagine what will happen if **all of us** have that equal drive and take ownership of transforming YBS...



“...Amazing things *can, and will*, happen.
Thank you”.

Alasdair Lenman,
Interim Chief
Executive Officer

**ALL
OF US**