

LOUGHBOROUGH BUILDING SOCIETY ANNOUNCES STRONG RESULTS

Loughborough Building Society has delivered another upbeat performance despite the economic downturn with year-end operating profits of £1m

“Despite the most difficult of markets and the economic downturn, the past year has been extremely encouraging for The Loughborough,” says Chief Executive Gary Brebner. “The Society delivered operating profits of £1m which is only £22,000 less than last year. This is a tremendous result and shows the stability of the Society during an unprecedented time of instability within the financial services industry.

Mr Brebner said that investors had continued to support the Society by placing their trust and money in a range of competitive savings products. As a result during the last twelve months the Society has attracted a retail inflow in excess of £11m.

“Investors can remain confident that the Society is managing their savings in a responsible manner both in terms of lending decisions and in investments made,” he adds.

The Society has retained its market share of new lending advancing £22m in new loans at an average loan to value ratio of 65%.

“This prudent lending means that mortgage rates can remain competitive and provides suitable returns to pay to savers. Overall mortgage balances fell 3% reflecting the national trend of consumers repaying debt where possible.”

Total assets at 31 October 2009 for the Society were £278m, a rise of £1m over 2008.

Profits before tax were suppressed by provisions for the Financial Services Compensation Scheme totalling £480,000 (2008 - £124,000), charges which are outside the control of the Society but are required to compensate those who invested in banks and financial firms that have failed.

Gary Brebner said “Our strong set of figures show the robust nature of our business model which is built on prudent lending and high quality assets. We are looking at ways to continue improving the business for the benefit of our

members both in terms of service and retaining attractive rates for investments.”

“Our staff can be proud of their achievements and contribution towards these results. During the year Loughborough Building Society received a national award of ‘Best Local Society 2010’ from Mortgage Finance Gazette which is a great honour. It reflects the high levels of individual service received by our members and the sustained good value of our products.”

Colin Bradley, finance director and deputy chief executive, speaking about the results says:

“It remains clear that investors in the East Midlands continue to see the Society as a safe and secure home for their deposits. In the year we have also been able to reduce the funding taken from Wholesale Markets.

“The year also produced further cost efficiencies with another reduction in the cost ratio, to just 86 pence of mean assets, another Society record.” He added “and our capital base remains strong. This combined with our lower risk profile continues to underpin our financial strength and provides financial security and support to our members”.

Ends

For more information please call Sarah Able at Dark Horse PR on 0115 9814421

Notes to Editor:

- Loughborough Building Society was established in 1867 and operates primarily in the East Midlands
- Assets of £278m as at 31 October 2009, an increase of £1m
- Gross Capital is 7% and liquidity ratio over 25%
- Profit as a % of mean assets is 14 pence for the year ending 31 October 2009
- The Society is ranked 37 by asset size in 2009, a rise of three places
- The Loughborough has been named Best Local Building Society 2010 by Mortgage Finance Gazette
- Loughborough Building Society was awarded by Moneyfacts in 2009 ‘Highly commended’ for Best Cash ISA Provider