

Hi Society

WINTER 2020/21



Welcome to your latest *Hi Society* magazine. You should also have received the Summary Financial Statement which includes your notice about our 153rd AGM and Society results for the year. Like everything else the AGM has been hit by Covid-19 restrictions and this year will be quite different as we'll be unable to have members present.

But we still need your votes. Please take time to read the notices and vote either online or by returning your form.

Each vote counts toward making a charitable donation and this year we've focussed on the plight of those left hungry because of their circumstances and the impact of the pandemic. We'll be working with FareShare Midlands.

To encourage you to vote online this year we've doubled the donation per on-line vote to £1.

Through the **hard work** of staff our gross lending almost matched last year's record

COVID-19 AND YOUR SOCIETY

I described in the summer newsletter how we're focussed on providing the same service albeit across shorter hours. That pattern of working has continued since then although by investing in more office safeguards, we've been able to safely increase the number of Head Office staff and utilise rotas to help with meeting the increased transactions that occurred from July onwards. We're planning on working with our rota system for months to come.

Those of you who've been to our branches will have seen the additional Perspex screens and other measures we've introduced to help keep us all stay safe from this nasty disease.

We've been encouraging members to deal with us more by email and that includes some of the savings account services. While we don't currently offer on-line savings or mortgages, we can often assist members and new customers by using other means when there are movement restrictions, or you just can't get in to visit us. Please contact your branch or Head Office for more details.

The Loughborough
Building Society

theloughborough.co.uk

MORTGAGE LENDING

The complete shutdown of the UK in March meant that lending effectively stopped for several months. Estate Agents and valuers weren't working and viewing houses was simply impossible. However, despite that activity picked up in August, in part helped by the current stamp duty holiday and in part from homeowners re-assessing their housing needs.

Through the hard work of staff our gross lending almost matched last year's record of over £66m reaching £62.6m and mortgage assets have reached a new high of £272m up about £20m in the year. Given everything that has gone on in the last 8 months, it represents an excellent performance.

Mortgage assets have reached a **new high** of **£272m** up about £20m

PROFITS, CAPITAL AND FUTURE INVESTMENTS

Pre-tax profits have been impacted by the economic upheaval of the pandemic and base rates being reduced overnight to 0.1%. That move alone removed more than £0.4m from the projected profits at the start of the year. Added to this the Society lost interest from when we could not lend, had increased costs relating to the Mortgage Payment Deferral Scheme and to upgrade infrastructure to work remotely. Set in our favour was the full recovery of the property charge referred to in last year's accounts. Together these have reduced our pre-tax profits to £35,000.

However the Society is well capitalised and these are largely one-off events so the Society's financial strength remains. Higher profitability will be restored next year. The pandemic has however changed a number of customer behaviours. So the Board has agreed to a multi-year investment programme in digital services starting now. This will bring changes to how we deal with members and handle transactions. They are exciting plans and represent the confidence we have looking ahead despite the current uncertainties.

The Society's financial **strength** remains

Accelerating the plans and ideas in this programme shows we are progressive and adaptable. The Society continues to develop its mortgage product range to meet the changing needs of people today, from those who can only find small deposits to those who need mortgages into their retirement. As the world becomes more complex the Society needs to respond to those changes.

continued overleaf...

CHARITY OF THE YEAR 2021

continued from front page

SAVERS

When I wrote in the summer many of you will have had the letters informing you of reduced savers rates following the Bank of England's decisions on base rates. I mentioned then that we had not reduced savers rates by the same degree. Members will know from other firms they deal with that many reduced their rates to a very low level. Since some normality returned in the summer, we've seen steady savings flows into the Society.

We continue to offer you fixed rate bonds and we changed the terms of the regular saver account to make it more flexible given the uncertain times we live in. Overall Share Balances have increased by £16m in the year taking the Society to a new record level of member balances.

Share Balances
have increased by
£16m in the year

YOUR BOARD

2020 saw further changes within the Board. We have a new Board Chair, Helen Sachdev who took over from David Bowyer at last year's AGM. Helen has been a Board member since 2017. We have two new Directors in Caroline Bradley and Moorad Choudhry who bring significant expertise from their executive and professional careers.

OUR MEMBERS

I would like to thank all our members for their continued support and loyalty to the Society. This has been a very difficult time for all of us but I want to thank you for all your messages of support and gratitude, especially to branch staff, who continued to see you during lockdown.

All of the staff have worked incredibly hard this year to produce the results we've achieved. On behalf of all of us I hope you have a safe and enjoyable 2021.

To help ensure people don't go hungry, your Society has chosen FareShare as our adopted charity for 2021.

To help ensure people don't go hungry, your Society has chosen FareShare as our adopted charity for 2021.

FareShare is the UK's longest running food redistribution charity. Created with the belief that no good food should go to waste, especially when people are going hungry.

With 21 distribution centres and over 1500 volunteers, FareShare saves fresh and in-date food from some of the UK's top food companies and redistributes it to over 10,962 charities and community groups.

By redistributing surplus food and turning it into meals, FareShare is able to help 933,178 people a week, saving charities over £14 million in funds. During the first lockdown, the meals shared by FareShare were tripled to 3 million to help those affected by the pandemic.

“FareShare is able to help 933,178 people a week, saving charities over £14 million”

We'll be supporting local FareShare partner FareShare Midlands to help turn food that would have otherwise gone to waste into delicious meals for vulnerable people in the midlands.

One of the local organisations which benefits from FareShare Midlands is local community hub, Evolve

In aid of



Nottingham. Evolve Nottingham saw an increase in people needing FareShare's support during the first lockdown due to families losing income and from people needing to shield and stay at home.

With FareShare Midlands help, Evolve Nottingham were able to feed those affected, help them find new opportunities and give them support.

With help from The Loughborough and other organisations, FareShare Midlands are able to ensure local children and their families have access to nutritional meals when they most need it.

To find out more about FareShare Midlands and how you can help visit www.faresharemidlands.org.uk



TRADITIONAL VALUES MODERN LIFESTYLES

Despite the unprecedented year we've all had to deal with, our innovative product development has enabled us to achieve some great results. A good deal of this has been due to our flexibility and the progressive approach we take when developing savings and mortgage solutions that work for the needs of people today.

Helping people buy their first home was the reason the Society was formed in 1867, with the money to make those purchases being provided by the saving members, so first time buyers have always been a key focus for us. That's why we first designed our Family Assist range of mortgages.

While the impact of COVID-19 has meant we've had to temporarily take some of those solutions out of our range, we've continued to work on alternative solutions.

In March we launched our Family Buy to Let mortgage which allows you to invest in a property, that you then let to a close family member or relative.

We followed that with an expanded range of Shared Ownership mortgages and in December we launched our first Joint Borrower Sole Proprietor (JBSP) solution.

The Joint Borrower Sole Proprietor mortgage uses the income of a family member(s) to increase the amount the purchaser can borrow. By combining income, you're able to borrow more. A family member is often a parent or adult child although we will consider other family relationships.

For our older borrowers we added more benefits to our In/Into Retirement range of mortgages including a Cash Back offer.

Our Buy to Let products have also been expanded to provide more choice to those who see this option



as a key investment solution for income in retirement.

Self-Build mortgages have become more popular in recent years and we've continued to design our products to fit today's needs. We've been so successful at this that we've been presented with two awards. In July, following a 21-week consumer voting campaign, your Society was awarded highly commended in the 2020 What Mortgage Awards. This was followed in August by our receiving a highly commended award in the Best Self Build Lender category at the 23rd annual Personal Finance awards.

Our Second/Holiday Home mortgage, which was temporarily closed in April, was relaunched in October and we've continued to support our existing mortgage members with an ongoing range of exclusive products.

All those efforts were key to achieving one of our best ever results as you'll have read in Gary's update.

To fund that level of mortgage business we needed to have a good inflow of savings at one of the worst times in history due to the Bank of England reducing the base rate

to 0.10%. To support our loyal saving members, we've had exclusive Bond offers as well as an ongoing range of general bonds throughout the year. We also offered Fixed Rate ISAs which have performed very well.

To continue encouraging our younger audience to save we've designed and launched a new children's account, the Zero to Eighteen which can be opened with just £10 and a total of £15,000 can be saved.

We've added to our range of solutions for our adult savers with a new more flexible regular saver account and we've added an account specifically for the Over 60s which is Easy Access and can be opened with £1,000 and a total of £250,000 can be saved.

We've also added the Limited Access account to the range. This is available to new and existing members from 16 years and like the Over 60s account can be opened with £1,000 and a total of £250,000 can be saved.

We'll continue to consider potential new accounts based on member and market feedback.

NEWS & EVENTS



OH YES THEY ARE

It was with great sadness that Loughborough Town Hall had to postpone its annual pantomime in 2020.

While this was disappointing news to those looking forward to the festive performances, the magic will return this Christmas.

Expect more excitement, thrills and magic carpet rides this winter as the award-winning Little Wolf Entertainment are back bigger than ever with the most magical panto of them all Aladdin!

The Society is joining in the fun too, as we're again sponsoring the panto as part of our contributions to local communities for the 16th consecutive year.

It would be a genie-us idea not to miss out!

Aladdin opens at Loughborough Town Hall on 20th November 2021 and runs until 2nd January 2022. Call the Box Office on 01509 231914.

BUILDING A GREENER SOCIETY

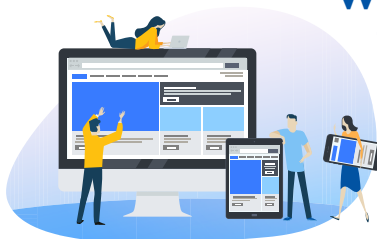


At the Loughborough, we're keen to become a greener society and communicating with more of our members via email is a step in the right direction, saving both money and the environment.

We promise not to bombard you with information and only use your details to send communications that you would otherwise receive by post, including this magazine.

If you're happy for us to do that, please sign up by visiting www.theloughborough.co.uk/confirming-your-choices

WHAT'S NEW ON THE WEB



In December 2020 our website was updated to make it easier for both our members and new visitors to buy a home and save for their future with The Loughborough.

Featuring an upgraded operating system with a more responsive user interface, our website is now more user friendly and simpler to navigate than ever before.

While our updated website might look the same, it has the following new improvements.

- Our Mortgages and Savings pages now have their own contact numbers and emails, so if you want to speak to someone about a product, you'll get through to the right team.
- A Dedicated Support Centre with a search function including a range of product questions and answers, support guides and other useful information, so you can look for help and advice relevant to you.
- A more interactive Mortgage calculator, your data entered in the calculator will remain throughout your session so you can compare and contrast our range of products.
- Reference numbers for the mortgage products you're viewing, so if you've filled in the mortgage calculator, you can then speak to one of our advisers about your preferences.
- More mobile friendly - whether you're at home or on the go, you should be able to access our website with no issues.
- Constant floating call to action buttons which follow you down each page on both desktop and mobile to help you get in touch with us when you need to.
- The website is also more future proof, which will allow us to make future updates that will make it even easier for you to use our services and find information.

At The Loughborough, we encourage our members to give us feedback and suggestions, so if there's anything you'd like see in the future on our website, you can get in touch with us at www.theloughborough.co.uk/your-loughborough/contact-us or you can email us at lbsmembers@theloughborough.co.uk

Watch out for the latest updates to our website on our news page and in future *Hi Society* issues.