



Up Front with Gary

Welcome to your winter 2025/26 Hi Society magazine. You should also have received the Summary Financial Statement, which includes your notice about our 158th AGM and Society results for the year. We're planning to record the AGM again this year and make it available to members after the event. Please see your AGM notices and emails for how to access that.

As with recent years, we'll make a charitable donation based on the total votes received. **We're continuing with our support for Rainbows Hospice**, who provide care and support for babies, children and young people with serious and terminal conditions, and their whole family, across the East Midlands. We are happy to support this local worthwhile cause.

Please take time to read the notices and vote online or return your form by post or in branch. To encourage you to vote, and vote online, we've kept the donation per online vote at £1.

A year of achievements and challenges

This has been quite a year. Reaching a new milestone of £600m in assets has been a great achievement. **We now have record savers balances of £513m up 6.6% and record mortgage balances of £516m up 6.8%.** This is a tremendous accomplishment in a reducing interest rate market. New lending has benefited from the new technology we deployed in 2024, as we have seen much better efficiencies in process, which helps the experience for our new borrowing members and their advisors.

The downward movement in the financial year of Bank of England base rates from 5% to 4% provided us with a real challenge to balance the interests of our savers, who want higher returns, and our mortgage members who want to pay less. It has never been the ethos of the Society to maximise profit, so we have steered a course across the year to balance the competing needs of our different member groups.

Across the market, savers have benefited from rates staying higher for longer, where, despite a 0.75% cut in base rates in the twelve months to 31 October 2025, average savers rates have reduced by much less. That position is starting to change, and we are now seeing more firms reducing rates every time base rates change. Market mortgage rates, however, did track base rate changes, and leading rates fell even further. The Society was slow to put up its SVR when rates climbed to 5.25% and is mirroring that path as rates reduce. Taken together, this means our net interest margin has been squeezed, reducing our ability to generate profits in the year.

During 2025, we have been working with numerous external suppliers to introduce the remaining parts of our new IT systems. This has taken longer than planned, which has added to our costs and, when higher inflation is factored in, management expenses have increased by about £1m in the year. Over half of this increase is through these non-recurring costs of change. The remaining IT work should be completed early in 2026.

Taking all these items together means the Society posted a loss for the year. However, the accumulated profit from previous years means the Society can withstand this result and move on. Our aim is to restore profitability in 2026 whilst completing the final stages of business change, which I've described earlier. This has been a year of achievements and challenges.

Personable, progressive and adaptive

The reasons we undertook to change our IT systems are simple. The world adopted digital technologies at an ever-increasing rate, and we need to be part of that. Although our current platforms have served us well, we need to be able to adapt how we work, provide more services to our members, including at times we wouldn't normally be open. That progression will occur over time, but it does not mean we will lose our personal touch nor your ability to contact us and speak to someone. The strength of the Society is its people. The new technologies will assist our employees in doing their work, removing a number of repetitive tasks they do behind the scenes in order to provide the services you see. It will also make a number of your interactions with us easier to carry out.

We are committed to a branch network, but the new technologies will allow us in time to add online services for savers and mortgages. The use of AI to help guide and prompt is now a realistic prospect for the new digital platforms being brought in.

The Society is 159 years old this year, and it is through being adaptive that we have created the business we have today. Change doesn't stop, so we will continue to look to be progressive in our outlook, deliver services that are safe to use, whilst at the same time not lose our personality or personable touch.

2025 saw a number of high-profile cyber-attacks. **The Society will continue to invest in greater resilience and cyber defences for its systems and in protecting your data.** The criminal and malicious actors will continue to be inventive and seek to disrupt or destroy businesses and organisations where they can or believe there is financial gain by doing so. Our systems and suppliers are required to constantly monitor threats and identify areas where there may be vulnerabilities. Employing external experts to undertake fake attacks to test systems is best and common practice now, and The Loughborough is no different in carrying out these exercises to keep the Society and its members' data safe. This also includes adding in more resilience to our systems, so if something did happen, we can restore safe services quickly.

People changes

As we go into 2026, there will be some Board changes as we have a new Non-Executive Director joining in February 2026, adding to Charles Roe, who joined us during the summer of 2025. You will be able to meet the new NEDs at the AGM.

Looking ahead and investing for the future

As mentioned above, **we will continue to invest in technology and, alongside that, in our people.** The Society is only as strong as the individuals who provide services to you, our members. There are just under 100 people at the Society who want to do a great job for you, our members. During 2025, we have provided opportunities for employees to work in other parts of the business so they can accumulate a greater knowledge of how things work. It also means it encourages teamworking and collaboration, which are cornerstones of success. We plan to make further improvements to our branches in 2026.

Cost of living

Although the higher levels of inflation we've all experienced appear to be more under control, it remains a challenge for many. We have sought to protect our employees from the worst effects of it and continued with our progressive approach to entry pay whilst recognising the value of longer serving staff. We have seen a small change in the number of our borrowing members struggling, in part due to the period of higher inflation and borrowing costs generally. We continue to be proactive in seeking solutions for members to help them in those situations. If you have a mortgage with the Society and are experiencing financial difficulties, please do contact us at your earliest convenience.

In the week before Christmas, the Bank of England reduced base rates. This is the sixth cut in the previous 17 months. We know that large firms adjust their savers rates quickly, and we cannot be in a position of being exposed to a sudden influx of cash. So, we had to respond to that cut by reducing savers rates in January 2026. For mortgage borrowers, the process is more complicated, and we are working our way through how we respond to this change. We will announce the outcome in January 2026 once we have been through our governance processes.

Our members

I'd like to thank all our members for their continued support and loyalty to the Society. As we enter our 159th year, there is much to look forward to. **On behalf of all of us, I hope you have a safe and enjoyable 2026.**

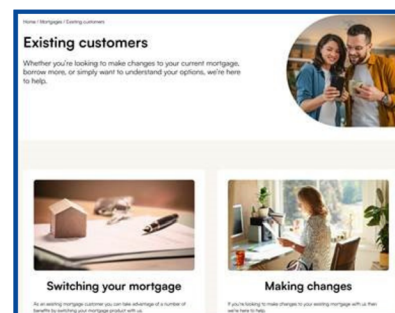
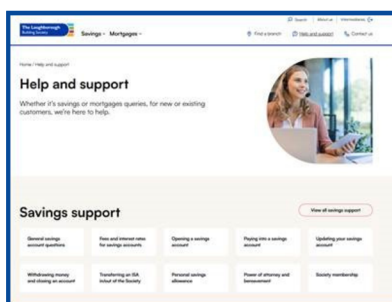
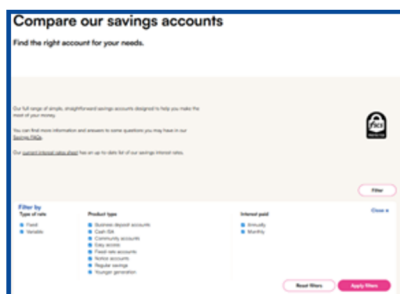
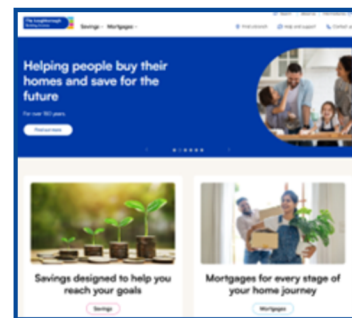
DISCOVER OUR NEW WEBSITE EXPERIENCE

Simpler, Smarter, and Built for You

Our refreshed website went live on 17 December 2025, designed with you in mind! The new look makes it easier than ever to navigate, access support, and find the right mortgage and savings products for your needs.

Here's what's new:

- Updated website structure and navigation menus focused on key tasks and actions
- Improved filtering on product pages to help you find the right option faster
- A more intuitive search bar for quick access to what matters most
- A dedicated section for existing mortgage borrowers for easier account management
- A re-organised Help & Support section to improve self-service
- A brand-new Community page showcasing the charities we support and the events we sponsor
- Refreshed visual look and feel, fully responsive and designed to be accessible across all devices



This is just the beginning—keep an eye out for more exciting updates as we continue to improve your online experience.

Take a look today at www.theloughborough.co.uk and let us know what you think by emailing your feedback to lbsmembers@theloughborough.co.uk.

LOUGHBOROUGH TOWN HALL PANTO – 20 YEARS OF SPONSORSHIP

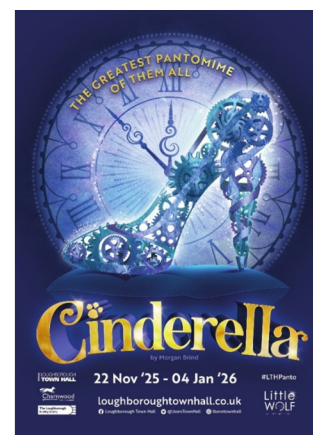
In 2025, Loughborough Building Society celebrated 20 years of sponsoring the Town Hall pantomime.

“We’ve been supporting the Town Hall pantomime for the past 20 years,” says Gary Brebner, Chief Executive of The Loughborough Building Society, “and it has been a real privilege for The Loughborough Building Society. The award-winning pantomimes are a wonderful tradition that brings joy to our community year after year and we’re proud to have played our part in keeping that magic alive.”

Simon Gibson, Venue Manager at Loughborough Town Hall, adds:

“We are incredibly grateful to The Loughborough Building Society for their 20 years of generous support as part of the Loughborough pantomime season. Their long-standing partnership since 2005 has enabled the Loughborough pantomime to continue to flourish, adapt and entertain hundreds of thousands of audience members across the years.”

Here's to another 20 years of partnership and Panto magic!



CHARITY FOOTBALL MATCH RAISES £1,756 FOR RAINBOWS HOSPICE

On Wednesday 24th September, the five Leicestershire building societies — Loughborough, Melton, Market Harborough, Hinckley & Rugby, and Earl Shilton — came together for a charity football match in support of Rainbows Hospice for Children and Young People.

While Melton Building Society claimed victory on the pitch, the real success was, the **£1,756** raised for Rainbows Hospice. The event showcased the power of collaboration, with strong turnout from players and supporters alike.

The match was the brainchild of Luke, Senior Telephone BDM at Loughborough Building Society, inspired by his recent volunteering experience at Rainbows.

With support from Ashley, Head of Intermediaries, and colleagues across the societies, the evening featured a raffle, a signed Leicester City FC football, and even a guest appearance from Rainbows' mascot, Bow Bear.



Hannah, Corporate Partnerships Fundraiser at Rainbows Hospice, shared her thanks:

"That is such an amazing amount to have raised, and we really do appreciate all of your support. Your generosity truly transforms lives — whether it's providing a space for families to laugh together, creating sensory experiences for children, or being there to guide them through their toughest days, your support ensures that we can continue to be a lifeline for so many."

Thank you to everyone who played, supported, and helped organise this fantastic event. It was a shining example of what can be achieved when communities come together — and there's already talk of making it an annual fixture!

Please visit www.rainbows.co.uk to learn more or to make a donation.

SANTA FUN RUN 2025

On Sunday 7th December, Loughborough Building Society once again proudly sponsored one of the town's most festive community events — the Santa Fun Run, hosted by Rainbows Hospice.

This year's event was bigger and better than ever, bringing together a record-breaking 962 Santas, making this the largest Rainbows Santa Run ever! Participants hopped, skipped, danced, and dashed their way around a 5km or 2.5km loop through Loughborough town centre, all in support of Rainbows and other local causes.

As long-term sponsors, the Society once again supplied the finisher medals and managed Santa costume distribution from our Loughborough branch. We were proud to donate £4,500 as official sponsors of the event, supporting Rainbows' incredible work for children and young people with life-limiting conditions.

Thanks to the amazing efforts of all participants, over £10,000 was raised by those running. In total, the event raised just over £29,000 for Rainbows!

