

Hi Society

WINTER 2024/25

Up Front with Gary



Welcome to your Winter 2024/25 Hi Society magazine. You should also have received the Summary Financial Statement which includes your notice about our 157th AGM and Society results for the year. We are 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 do that.

This year we're supporting
**Rainbows Hospice for
Children and Young People**

As with recent years, we will make a charitable donation based on the votes received and this year we're supporting Rainbows Hospice for Children and Young People who provide care and support for babies, children and young people with serious and terminal conditions, and their families, across the East Midlands. This is a local charity, which we are happy to support.

Please take time to read the notices and vote either online or complete and return your form by post or take it to your local branch. We'd like to encourage more of you to vote online, as for every vote online, we'll donate up to £1 to Rainbows.

A year of change

This has been quite a year for change.

Across 2024 we've been working with numerous external suppliers to introduce new IT systems.

The new mortgage system came in during the summer only a few months after moving into the new Head Office building. This provides for a more integrated and faster service for new mortgage business and reducing the time to approve new lending, which is a great help to our customers.

We're still working on the remaining systems to hopefully bring them into use in late 2025.

Alongside this activity, we have worked with a local interiors business to update the office block we purchased in 2023. It was important for us to stay in the town, and it took a while before the right type of building became available. The new offices are a massive improvement on the 1907 building we called home for so many years. The new building has solar roof panels to reduce our impact on the environment and despite the summer weather they have proved to be very efficient and reduced our need to use conventional power considerably.

In August we invited the Member Panel to see the new building for themselves and at the same time we received our FairLife mark as we meet the standards of trading fairly with our customers. This is an important external recognition of how we work and engage with all our customers.

Underlying strength

Changing IT systems is a demanding task. To assist us we gained the support of external experts to help design and manage the change. Those costs have been the main reason our management expenses went up by £0.6m. We had planned for 2024 to be lower in mortgage and savings activity as management and staff would be busy testing and training on the new systems.

The changes to base rates have provided for an added complication in the year. Across the year, large lenders have over-anticipated base rate changes with leading mortgage deals being well below base rates. The need for retail cash has seen savers benefit from higher rates across the market especially in fixed rate bonds. These two factors have squeezed our net interest rate margin.

continued overleaf

**The Loughborough
Building Society**

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The volatility of interest rate expectations creates movements in swap prices. We use these instruments, as many firms do, as a way of managing interest rate risk. However, we're also required to value them and this year the portfolio value has fallen and 'cost' us £0.2m. Members may recall two years ago as base rates increased the Society had to post a £0.9m gain. Quite a reversal. This is not 'real money,' but we do have to account for it in arriving at reported profits.

We have grown mortgage balances by 5% to a new all-time high of £481m

Despite all these changes, challenges and additional costs, the Society managed a small pre-tax profit in the year of £0.1m. We have grown mortgage balances by 5% to a new all-time high of £481m and total assets of £556m. Member shares have reached a new high of £483m, up by £92m.

To achieve these results the management and staff have worked incredibly hard. I would like to thank you for providing so many compliments on the service you have received despite everyone being so busy achieving these results.

Savers

The higher base rates encouraged more savers to look for fixed rate bonds. The Society was no different and the majority of the £92m increase in share balances came from fixed rate offers. Base rates are now starting to decrease but there is still interest from many retail customers in securing higher fixed rate returns whilst they are on offer. We trialled a 9-month bond in the year and plan to offer more of them. Our ISA and limited withdrawal products have also proved very popular across the year.

As base rates and lending rates fall, savers should expect to see a gradual decline in rates being paid by all firms. The Society is not immune from these changes, and we need to position ourselves to

attract new money but at manageable volumes and a reasonable rate to the saver.

People and investing for the future

As we go into 2025 there will be some Board changes as we have two Non-Executive Directors leaving and two more joining. You will be able to meet the new NEDs at the AGM.

As I mentioned earlier, the new Head Office has been in use for about six months now. This encourages collaborative working and provides a better environment for all our employees. It also means that for visitors and suppliers, they gain a better impression of the Society itself and is an investment matching the long-term ambition of the Society. It includes a lot of modern technology commonly seen in many offices facilitating modern styles of working in and out of the office.

Cost of living

Although the higher levels of inflation we have all experienced appear to be more under control, it has been one of the drivers of rising interest rates and increases to household budgets. The Society was more measured in moving rates upwards and we did not simply mirror the increases in base rates announced by the Bank of England nor were they increased by the same scale. As rates fall, we'll follow a similar philosophy and pattern to ensure that both borrowers and savers get a fair deal.

If you do have a mortgage with the Society and are experiencing financial difficulties, please do reach out and contact us at your earliest convenience.

Our members

I would like to thank all our members for their continued support and loyalty to the Society. As we enter our 158th year there is much for us to look forward to in 2025.

Gary Brebner
Chief Executive



THE LOUGHBOROUGH ANNOUNCES RAINBOWS AS ITS NEW CHARITY PARTNER

The Loughborough Building Society is delighted to announce its partnership with Rainbows Hospice for Children and Young People as our new corporate charity. This exciting collaboration marks a renewed commitment to supporting the vital work that helps make a difference in the lives of families across the region.

Rainbows, based in Loughborough, provides specialist support to babies, children and young people with life-limiting and life-threatening conditions. The hospice also extends its care to families, offering emotional and practical support during some of the most challenging times.

At The Loughborough Building Society, we take pride in being part of the local community and our partnership with Rainbows reflects our dedication to giving back. Over the coming year our team will be involved in a range of fundraising activities and volunteering initiatives to support the charity's essential services.

Lisa Burns-Kent, Head of Marketing and Business Development at The Loughborough Building Society, said: "I am thrilled to announce our new partnership with Rainbows, a charity that provides vital support to babies, children and young people. This collaboration reflects our commitment to making a positive difference in the community. I'm excited about the opportunities ahead to work together and help bring care, and support to those who need it most."

Kate Golding, Head of Relationship Fundraising at Rainbows, said: "We are thrilled that the Loughborough Building Society has chosen us as their charity partner."

We rely on our supporters to help us to continue providing care and support to hundreds of babies, children and young people at our hospice, in hospital and at home. We look forward to an exciting year ahead."



THE LOUGHBOROUGH LAUNCHES NEW COMMUNITY SAVER INITIATIVE

In November, The Loughborough proudly introduced its Community Saver Initiative designed to help local community groups raise important funds to keep their projects running in the local community.

This initiative offers a simple way for individuals to save for their future whilst supporting a local club, charity, or community cause.

The Society makes an annual donation to the club or charity based on the total balance from all the linked community savings accounts, meaning the more you save, the more we give back.

The first local community to benefit from our Community Saver account is Barrow upon Soar Community Library.

Our Savings Manager, Lucie Kilbane, met with the library's "Knit and Natter" group to talk about our new Community Saver Accounts. The volunteers and library regulars were very supportive and liked how a local building society is supporting such a vital community hub for their village.

With services reducing in the village, the library is a lifeline to some and a reason to get out and about, as well as encouraging the younger generation to be interested in reading.

The funds raised through the *Community Saver Initiative* will help support the running of these essential services.

If you're interested in saving with one of our community savings accounts or would like to set up an account for your charity or community group, please get in touch with us on 01509 631960.

NEWS & EVENTS

BRINGING CHRISTMAS JOY: LOUGHBOROUGH AND CHARNWOOD TOY APPEAL



Every Christmas morning, millions of children wake up full of excitement, eager to unwrap presents. Yet, for some families, tight finances and rising living costs make it heartbreakingly difficult to provide toys for their children.

The Loughborough and Charnwood Christmas Toy Appeal was created to help spread joy to children in need.

For 40 years, local volunteers have run this appeal, providing new toys and gifts to disadvantaged children throughout the Loughborough and Charnwood area.

The Loughborough got into the Christmas spirit and all our branches acted as 'Santa's grottos' for people in the town to drop off toys for children aged 0 to 16 years.

A heartfelt thank you goes out to everyone who donated! These contributions brought smiles to many children's faces during the festive season, making their Christmas a little brighter and happier. The true spirit of what Christmas is about!

SUPPORTING THE LOCAL COMMUNITY IN ANSTEY – CHRISTMAS RECYCLING COMPETITION

The Latimer Primary School Eco Committee (made up of volunteer children from each year group) and our Loughborough Building Society branch at Anstey joined up to run a competition focused on recycling and re-use, in support of The Schools Environmental Review.



Each Year Group in the school produced a Christmas decoration made from recycled material and a winner was chosen from each Year. The winning Christmas decorations were then placed on display in shops and businesses within Anstey.

Congratulations to the winners and to everyone who took part, there was some fabulous festive decorations this year.

YOUR VOICE MATTERS – JOIN OUR MEMBER PANEL

At The Loughborough, we're committed to ensuring your membership is as rewarding and valuable as possible.

One way we achieve this is through our Member Panel, a platform where members like you can shape decisions and see your feedback make a real impact.

By joining the panel, you'll contribute to meaningful projects that improve our products, services and member experience.

Ensure your voice is heard, helping us better understand and meet the needs of all our members.

See the value of your input, play a role in exciting initiatives, like our upcoming website redesign a project where panel feedback will help to create a more intuitive and member-focused platform.

Being part of the panel isn't about special expertise, it's about sharing ideas and experiences to make a difference, if you'd like to contribute to shaping your Society's future, we'd love to hear from you, please email us at lbsmembers@theloughborough.co.uk



LOUGHBOROUGH LIBRARY EXHIBITIONS WINTER/SPRING 2025

The Local and Family History Centre at Loughborough Library is hosting a selection of interesting exhibitions and displays over the next few months including:

Nov/Dec 2024 /Jan 2025: Loughborough's Art Deco Heritage Trail Exhibition

Feb/March/ April 2025:

Loughborough Shops and Businesses of Yesteryear

May/June 2025: The 120th Anniversary of the Loughborough Carnegie Library (includes the origination of the Library Service in Leicestershire)

For information on Loughborough Library including its opening hours visit: <https://www.leicestershire.gov.uk/leisure-and-community/libraries/find-a-library/loughborough-library>