



29<sup>th</sup> March 2011

For Immediate Release

## **Strong member support for Leeds Building Society**

### **AGM – 29<sup>th</sup> March 2011**

Leeds Building Society, the UK's 5th largest building society, held its Annual General Meeting in Leeds earlier today. Members voted overwhelmingly for the re-election of Ian Ward and Rodger Booth, and for the election to the Board of Les Platts.

This year, almost 93,000 members voted, resulting in a donation of over £10,500<sup>1</sup> to this year's charities - Help for Heroes, World Wildlife Fund, British Heart Foundation, St George's Crypt and the Leeds Building Society Charitable Foundation.

Robin Smith, Chairman said, "We have once again received overwhelming support from our members, with each director receiving over 94% of votes in favour. I am delighted with the support of our members, which endorses the Society's successful, sustainable business model.

"Despite the real potential for continuing economic difficulties throughout 2010, our prudent approach to lending and strict cost control enabled us to compete successfully in our core markets of savings and mortgages, and deliver another year of record operating profit.

"Savings balances rose by £245m, which was more than twice our building society market share, and 52,000 new members were attracted by the security and value we provide. Our new lending increased to £984m in 2010; which represented £250m above our market share. Indeed, we are planning to increase lending by 40% in 2011, to £1.4bn.

"Furthermore, the Society has maintained its strong 'A' long term credit ratings from both Moody's and Fitch. Also, our bank financial strength rating from Moody's is the highest in the sector. They highlighted our strong management of costs, good asset quality and solid funding structure. Fitch said the affirmation of our ratings reflect our 'resilient revenue generation, excellent cost management and strong capital position'.

"Leeds Building Society is 136 years old and has a proven track record of coping well with economic uncertainties. It will continue to do so and remain a successful, independent building society throughout this year and beyond."

The highlights of the results announced by the Society are listed below:

#### **2010 Business Highlights:**

- Operating profit increased by 5% to a record £84.5m (£80.1m 2009).
- Pre-tax profit rose by 33% to £42.2m (£31.7m 2009).
- Savings balances grew by £245m to a record level of £7.0bn.
- New lending increased by 7% to £984m (£922m 2009).
- 52,000 new members attracted, taking total membership to a record 684,000.
- Efficiency improved even further in 2010 with cost income ratio reducing to 34% from 36% in 2009, which was the most favourable of any major building society.
- Quality of lending remains good with the average loan to value (LTV) on 2010 advances being just 53%.
- Wholesale funding ratio reduced to 20% (23% 2009).

## **Ends**

### **Note to Editors**

1. Leeds Building Society donated 10p for every postal vote received and 20p for every internet vote. Members selected which partner charity they wanted to receive the donation from their vote. Where none was selected, the donation is split equally between the partner charities, which are Help for Heroes, World Wildlife Fund, British Heart Foundation, St George's Crypt and the Leeds Building Society Charitable Foundation.

Leeds Building Society has assets of £9.5bn (as at 31 December 2010) and 67 branches throughout the UK, Gibraltar and Ireland. The Society has operated from the centre of Leeds since 1886.

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