

Manchester Building Society Results for the Financial Year Ended 31 December 2014

Manchester Building Society Group ("the Society") today releases its financial results for the year ended 31 December 2014.

	12 months to 31 December 2014 £M	12 months to 31 December 2013 £M
Operating profit before impairment	4.7	7.6
Impairment losses	-	(8.7)
Financial Services Compensation Scheme Levy	(0.4)	(0.5)
Profit/(loss) on ordinary activities before tax	<u>4.3</u>	<u>(1.6)</u>
Profit/(loss) after tax	<u>4.5</u>	<u>(7.1)</u>

Results summary:

- The Society returned to profit during 2014, reporting an operating profit before tax of £4.3m (2013: loss of £1.6m).
- The Society's net interest income fell from £15.0m in 2013 to £11.1m in 2014 as a result of the planned reduction in size of the balance sheet and following the disposal of the Society's £68m UK Lifetime Book at the end of 2013.
- The Society increased its reserves by £3.9m (2013: (£7.6m) decrease).

David Harding, Chairman of the Society, said:

"I am pleased to report that the Society has recorded a healthy profit before tax of £4.3m for 2014, following the loss recorded in 2013. Underlying profitability, levels of liquidity and mortgage book performance were all sound during 2014 and the Society continues to focus on supporting its borrowing and saving members.

Our full Annual Report and Accounts will be published by the end of March 2015 and I look forward to placing these results before our members at the AGM in April."

Enquiries

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Finance Director

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Key Financial Information

	12 months to 31 December 2014 £M	12 months to 31 December 2013 £M
Net interest income	10.7	14.4
Other income and charges	0.4	0.6
Total Income	11.1	15.0
Movement in fair value of financial assets	(0.3)	(1.1)
Loss from derivatives	-	(0.3)
Administrative expenses (inc. depreciation)	(6.1)	(6.0)
Profit for the year before impairment and tax	4.7	7.6
Impairment losses	-	(8.7)
FSCS Levy	(0.4)	(0.5)
Profit/(loss) for the year before taxation	4.3	(1.6)
Taxation credit/(charge)	0.2	(5.5)
Profit/(loss) after tax on continuing operations	4.5	(7.1)
Total Assets	508.7	646.4
Retained earnings	(0.1)	(4.1)
PPDS	17.5	17.5
PIBS	<u>9.8</u>	<u>9.8</u>
Total Equity	27.1	23.2

Notes to Editors:

- Manchester Building Society is the UK's 19th largest building society.
- Based in Manchester City Centre, the Society has over 19,000 savings account holders and 3,300 borrowing account holders.