

MEDIA RELEASE

THE NOTTINGHAM ANNOUNCES STRATEGIC ESTATE AGENCY ALLIANCE WITH THE BELVOIR GROUP

Thursday 9th July - The Nottingham has today announced plans to enter into a strategic alliance with Belvoir Group PLC, which will see the Society deliver estate agency and lettings services to its members through Belvoir's established network of franchisees trading under the brands Belvoir, Northwood, Newton Fallowell and Lovelle.

Under the agreement Belvoir franchisees will have the opportunity to operate from branches across the building society's network, with the potential for franchisees to establish operations in locations where The Nottingham doesn't currently offer estate agency and lettings, allowing the Society to extend these services to more of its members.

The partnership could, in time, also enable the Nottingham to extend its reach, creating a presence for building society services, through Belvoir offices in locations it doesn't operate in today.

Chief Executive Officer of The Nottingham, David Marlow, commented; "After great consideration, we believe the model in our members' best interest and for the long term success and sustainability of the Society is to deliver an estate agency and lettings proposition through an expert partner. We already successfully use this approach for a number of services delivered to members and the strategic alliance we are undertaking with the Belvoir Group not only provides a continuation of service to the majority of our members, but brings greater opportunities to work closely together to boost the reach of our combined national networks. Whilst the transfer of our operations to the Belvoir Group marks the end of an era of us being our own estate agency, we're confident it's a positive move for the Society and our members."

Dorian Gonsalves, Chief Executive Officer of the Belvoir Group said: "This is an exciting and mutually beneficial opportunity for both companies. Similar to the Nottingham, Belvoir originated in the East Midlands, and our Central Office is still based in Grantham. Furthermore, Belvoir and The Nottingham share the same ethos of ensuring that the customer is always at the centre of everything within the business.

"This strategic alliance allows our Group brands, which consist of Belvoir, Newton Fallowell, Northwood and Lovelle, to provide all Nottingham members with a seamless estate agency service, either from our shared or stand-alone locations throughout the UK. This alliance also enables our franchisees to open in new locations, further increasing the Group's footprint."

The vast majority of the Society's estate agency and lettings activity will transfer over to the Belvoir Group and it will cease trading as its own estate agency and lettings operation for new business by the end of August. This will regrettably result in the closure of three

standalone estate agency branches and three combined building society and estate agency branches which are more focused on estate agency at the end of July, as well as impacting a number of field based and central support roles. The proposed branch locations for closure are: Enderby; Syston; Western Park; Market Harborough; Chatteris; and Wisbech.

Marlow continued, “The transfer will impact a number of our team members and we have already spoken to them all personally and will ensure they are fully supported through this process. From the outset our key priority has been to protect as many jobs as possible and we are working closely with the Belvoir Group franchisees on the details of the transfer and the opportunities it presents for our team members.”

The Society has also taken the opportunity to review its wider branch network, with an eye on long-term sustainability and in response to changing consumer behaviour and members accessing services in different ways, and has also shared proposals to merge a small number of branches, primarily in locations where there is a very close concentration of locations.

The Society has always been a strong advocate for the role branches play in delivering face to face advice and service to its members, doubling its network by 32 locations over the last seven years. Whilst branches remain a key part of its strategy, the Society also believes an increasing number of people, particularly younger members, will expect greater digital access as their primary point of contact.

The Society is proposing to take its branch network to 48 with the merger of eight branches that have a partner branch in very close proximity and in locations where current branch presence is high. Those are: Wollaton Park; Firth Park; Carlton Hill; Groby; Netherfield; Sherwood; Ruddington; and Harpenden. The Society is also proposing to close its Huntingdon branch as there isn't a suitable local branch for it to merge with.

The Nottingham has assured its members that where a branch closure is taking place, the nearest replacement building society branch that services will be merged with will be no more than 5 miles away. Whilst most of the locations affected are in the Greater Nottingham, area, following these changes the society will still have 8 branches within a 5 mile radius of its Nottingham Head Office

To demonstrate its ongoing commitment to branches, it will be investing in modernising and upgrading a number of branches to enable them to support more members. The Society also announced that it is extending its rate freeze for branch savings accounts, following the Bank of England rate reductions in March, to six months: therefore safeguarding the interest rates paid to members at levels payable before the coronavirus lockdown at the end of March, until the end of September.

The branch mergers will take place in the fourth quarter and the Society will be working closely with its members and team members during this period to support them with the transition.

David Marlow, commented further “Like many other businesses, As a consequence of the pandemic we have seen consumer behaviour changing significantly with members

increasingly looking to manage their finances through digital channels, which has become essential for some during the pandemic. We are in a very different place to where we were a few years ago and post-pandemic we don't anticipate that every member will revert back to using branches as they did before. In addition to this, we know that younger customers favour a digital solution.

“To stay relevant and grow our membership we must adapt and change the way we deliver our purpose of helping our members save for, plan and protect their financial futures, whilst reflecting how our members live and what they expect from us now and for years ahead.

“We remain absolutely committed to our branch network and we genuinely believe that branches continue to have a key role on the high street to support our members – that is why we continue to have a significantly larger branch network for a building society of our size, even after these changes. We will be investing in improvements in the newly merged branches, as well as implementing new working practices, such as new opening hours, to improve the member experience”.

“In total the proposed changes will affect around 120 roles and we have spoken personally to team members affected. Whilst we will seek to offer redeployment opportunities from across the society and choice to impacted team members wherever we can it is inevitable that there will not be roles for everyone impacted and are therefore offering job support packages where people do leave the business.”

Alongside the changes announced today the Society has also shared plans to accelerate its digital programme, building on sustained investment in this area over the last two to three years. It plans to significantly bolster its digital savings offering in early 2021, with the capability to also extend its whole of market mortgage advice proposition digitally to attract younger members seeking an exclusive digital journey, of which it will release more details later this year.

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