

13 May 2011

Glengall Exchange
3 Glengall Street
Belfast
BT12 5AB

Dear Member/Creditor

Re: The Presbyterian Mutual Society Limited (In Administration) (the "Society")

I am pleased to advise you that the Scheme of Arrangement has been passed by the required majority of votes. A copy of the voting summary on the resolution is set out overleaf and outlines the votes cast by members and creditors in respect of their shares and/or loans by both number and value.

I am also pleased to report that 33% of creditors voting have agreed to participate in the additional voluntary deferment, which will enable the distribution to shareholders with total holdings of less than £20,000 to be increased from 97p to 100p in the £. Due to this level of support the amount of the voluntary deferral required will be significantly less than originally anticipated. Thank you for your positive response.

Following the statutory 28 day period which will start to run from the date of this letter, I will report back to the Court and request formal sanction of the Scheme of Arrangement. This will allow the Joint Supervisors to complete arrangements with DETINI; to draw down the monies from DETINI and PCI and to pay out cheques to members and creditors in accordance with the terms of the Scheme of Arrangement as soon as possible thereafter. We will then continue with the orderly trade down of the Society's assets and collecting in outstanding monies.

On the 4 May 2011, I obtained the Court's agreement to extend the Administration from 16 May 2011 for a period of twelve months to allow the Scheme of Arrangement to be sanctioned and certain other/legal matters to be dealt with. Enclosed with this letter, you will find the Administrator's Progress Report to 31 March 2011 which supported the extension application. The Court agreed that in the circumstances the Administrator did not require to prepare a further report up until 16 May 2011 and that the next Administrator's report will be made up to 16 November 2011.

Yours faithfully



Arthur Boyd
Administrator of Presbyterian Mutual Society Limited

The affairs, business & property of the Presbyterian Mutual Society Limited are being managed by Mr Arthur Boyd FCA, as Administrator. Mr Boyd is a licensed Insolvency Practitioner authorised by the Institute of Chartered Accountants in Ireland, and acts as agent of the Society without personal liability.

THE PRESBYTERIAN MUTUAL SOCIETY LIMITED (IN ADMINISTRATION) - RESULT OF POSTAL VOTE

Resolution	Members' Share holdings		Creditors' Loan holdings	
	Yes	No	Yes	No
For the approval of the Scheme of Arrangement as proposed – value	£ 94,198,700 99.7%	£ 236,900 0.3%	£ 167,764,790 99.4%	£ 984,482 0.6%
For the approval Of the Scheme of Arrangement as proposed – number	8255 99.7%	18 0.3%	6794 99.7%	20 0.3%

Note

As at close of business on 6 May 2011, the total number of voting forms returned was 8,722, being 87% of the total originally sent out. Of the returned voting forms, 8,674 were valid, 48 were invalid, not having been properly signed/completed. A further 77 voting forms were received late, after the closing date and could not be included.

Optional Voluntary Deferment

The level of support for additional optional deferments was 33% of those creditors voting and exceeded the cap of £1.2 million required. The amount payable to shareholders with total holdings of less than £20,000 will therefore be increased from 97p to 100p in the £.

Consequently the amount of the voluntary deferral required from each participating creditor will be reduced by a pro rata adjustment, which will significantly reduce the amount of the voluntary deferral required, compared with the amounts of 10% and 5% originally anticipated.