

**Business Review &
Summary Financial Statement**
for the year ended 31 August 2007



www.thehanley.co.uk

Chief Executive's Business Review

for the year ended 31 August 2007



Overview

Our financial year 2006/2007 has been a great year for Hanley members. Against a backdrop of price turbulence, new market entrants, building society sector consolidation, increasing personal indebtedness and the highest bank base rate since March 2001, The Hanley has continued to thrive as a strong, locally based mutual with a very clear business strategy and a blossoming reputation for delivering excellent service and value to our members.

As a building society we compete in a congested and often rate-obsessed market for both our savings and our mortgage products. However our business model is a simple one and has stood the test of time. We provide mortgages which are secured on residential property from funds largely obtained from our members. Our core objective is to build a robust business via sustainable levels of profitable, balanced asset growth, within a prudent risk framework, while keeping our costs under control and achieving profit levels which enable us to invest in the longer-term health of the business.

Our financial results for 2006/2007 are outstanding and demonstrate that your Society continues to make great strides toward this core objective –

Post tax profit of £1.72m	–	up 24%
Total assets now £341m	–	up 5.8%
Group management expense ratio now 1.17%	–	down from 1.19%
Cost/income ratio now 58%	–	down from 65.57%

The results for the year have benefited from the sale of a portfolio of properties which have been in our possession for many years, and this highlights the benefits to members which arise from being able to take a responsible and long term approach to the management of arrears when they do arise. This has also enabled us to take a prudent approach to our provisioning on the current residential development loan portfolio to ensure members' interests are best protected in the long term.

Mortgage Lending

Having made only one change in the previous twelve months, the Bank of England's Monetary Policy Committee initiated four rises in bank base rate, each of 0.25%, during our financial year 2006/2007. This acceleration to a base rate of 5.75% attempted to address the widely reported upward spiralling of personal indebtedness in the economy and the seemingly boundless energy of the housing market in particular. There are clear signs that the rate of growth in house prices has indeed slowed down, but supply-side shortages of affordable homes in many parts of the country still impact upon demand and consequently price. Some mortgage lenders have reacted to the more volatile market by absorbing greater risk in their lending criteria, notably through the application of higher income multiples or the acceptance of higher loan to value business. As regards any herd behaviour in galloping toward higher risk lending, The Hanley has chosen to "sit out the dance" to use the Bank of England Governor, Mervyn King's phrase (The Times, 13 September 2007) and we have taken a very measured and considered view of the lending quality we want to attract to the Society, in the interests of all our members.

Crucially we are also dedicated to offering our customers a genuine choice of mortgage products through our broking service whereby we may place a borrower with another lender if that is the most suitable option for them. This typifies

our belief in trusted advice at The Hanley and we have assisted almost 400 customers through our broking service this year, demonstrating that we always seek to find the correct mortgage solution for our customers rather than seek to shoehorn them into a product which may not be suitable for them.

Savings

Much has been said in the media about the absence of a "savings culture" in the UK, but given that seven out of every eight Hanley members are savers rather than borrowers, we can certainly claim to have a strong focus on savings at The Hanley. Our savings inflow increased by 5% during the year as members took advantage of our market leading rates on Mini Cash ISAs, Regular Savings products and Child Trust Fund accounts (CTF). During the course of the year we were delighted to be able to pass on all four increases in bank base rate of 0.25% to our savers. This demonstrates our desire to retain competitive savings products and to reward our members for their loyalty in saving with The Hanley. Several of our savings products are only available to customers in our heartland territory as this restriction enables us to offer extremely attractive interest rates to a controlled, target market.

Our savers have also benefited from access to our Independent Financial Advisers in Hanley Financial Services Ltd (HFS Ltd). These IFAs are based in our five branches and have assisted the increasing number of building society savers who are seeking to extend their investment portfolio or plan for inheritance tax liabilities, or possible long-term care requirements.

Our People and our Community

Our year began with The Hanley receiving a national award from the British Chambers of Commerce and Industry for our outstanding Business Contribution to the Community at a glittering award ceremony in London. This was a thrilling endorsement of our approach to the social responsibility we have toward the community we serve.

Staff at The Hanley are proud to be part of our success but equally proud of the way we put something back into our community in North Staffordshire. This year we have supported a range of causes from individuals seeking support for their fundraising efforts through to our partnership with the charities, Breath of Life and Endon Riding for the Disabled Association, with whom it has been a privilege to work alongside in 2007.

The regeneration of the city of Stoke-on-Trent will revitalise the area where our staff and customers live and work, so we continue to play an active part in the initiatives undertaken by Advantage West Midlands and the North Staffs Regeneration Zone. We are proud of our roots and are doing all we can to help in the remoulding of the area into a vibrant, 21st century location.

As with many clichés there is genuine truth in the saying that "people are our greatest asset" but we must never take that for granted, and I am personally very grateful for the focus and commitment shown by the staff at The Hanley in a year where the Society has continued to go from strength to strength. I am certain that our people will continue to make The Hanley a great place to work and a great place to do business, so that our members can enjoy continued success in the year ahead.



David Webster, Chief Executive 16 October 2007

Your Board



Edward Turner, age 63, is a chartered accountant and has been a Board member since 1998. He is Chairman of the Society and is also a member of the Society's Assets & Liabilities and Audit & Compliance Committees.

Ted was a Partner with KPMG for 21 years, and often undertook work within the building society sector as well as in other financial services businesses. He is a Non-Executive Chairman of a private property investment company, and President and Trustee of the North Staffs Medical Institute, a charity which provides facilities for post graduate education for the medical profession locally. Ted also provided consulting advice to a professional firm in North Staffordshire and following his retirement from the profession he worked as a finance director in industry for nearly six years.



Francis Stafford, age 53, was appointed to the Board as a Non-Executive Director in January 1993, appointed Vice-Chairman in December 1997. He serves on both the Assets & Liabilities Committee and the Remuneration Committee. He is chairman of Harper Adams University College and in 2005 was appointed High Sheriff of Staffordshire.

Lord Stafford currently manages the family estate at Swynnerton Park which has been in the family for over 900 years.



Dr Ann Henshaw, age 60, was co-opted to the Board in February of this year as a Non-Executive Director following a wide ranging recruitment exercise.

Ann has become a member of the Remuneration Committee and has agreed to take on a specific role as 'champion' of Treating Customers Fairly (TCF).

She brings a broad range of experience and skills that are vested in a long and successful career in business, Psychology and Alternative Dispute Resolution and working in the city as a Family Mediator with law firms and the people of Stoke-on-Trent.



Edward Jenner, age 52, was appointed to the Board as a Non-Executive Director in January 1998 and is Chairman of the Audit & Compliance Committee.

He was a Non-Executive Director of CORGI, the gas safety body, and was strategic development director of the Wedgwood Group having previously been Wedgwood Group Finance Director since 1994. Prior to that he had spent his career in Unilever.

He currently works in property development specialising in environmentally friendly homes.



[Steven Jones](#), age 44, was appointed Finance Director in May 2004. He currently chairs both the Treasury and the Assets & Liabilities Committees. His executive management responsibilities include finance, treasury and information systems.

Steven, who lives in Stoke-on-Trent, is married with two children. A Fellow of the Institute of Chartered Accountants with a strong background in the financial services sector, Steven is committed to The Hanley's continued success as a mutual Building Society within North Staffordshire.

Outside of the Society, Steven has for many years been actively involved in the voluntary sector and currently is Chairman of North Staffs MIND.



[Terry Walsh](#), age 54, was appointed to the Board as a Non-Executive Director in June 2001. He serves as a member of the Audit & Compliance Committee and oversees, on behalf of the Board, the Society's policy on corporate social responsibility. His particular areas of expertise are the media, communications, corporate imaging and public relations.

His extensive media and broadcasting career has seen him work for many of the world's major TV broadcasters, including the BBC, ITV, Sky and Channel 4 in Britain – and American Channels ABC, CBS and ESPN. In the Society's heartland, he is best known as a presenter on BBC Radio Stoke.



[David Webster](#), age 48, has been Chief Executive at The Hanley since April 2002. David is fully committed to The Hanley's future as an independent, local mutual Building Society with strong roots in the community. The regeneration of North Staffordshire is of particular interest to David and he is involved in various initiatives from education through to professional services. In May 2006 David became the first Hanley Chief Executive to be elected by his fellow Chief Executives to The Building Societies Association Council where he will represent the views of smaller societies alongside representatives from regional and large societies.

Directors' Remuneration Report

for the year ended 31 August 2007

The purpose of this report is to inform members of The Hanley about our policy on the remuneration of Executive and Non-Executive Directors. This Policy was updated in 2004 and the Board has included an advisory vote on the Directors' Remuneration Report at this year's AGM.

The Remuneration Committee

The Committee is responsible for the remuneration policy for all Directors of the Society and it makes recommendations to the Board regarding remuneration and contractual arrangements. The Committee meets at least twice a year and reviews supporting evidence, including external professional advice if appropriate, on comparative remuneration packages. The Committee also reviews the Chief Executive's proposals for Senior Management remuneration, including any performance related bonus.

Policy for Executive Directors

The Board's policy is to set remuneration levels which will attract and retain high calibre Executive Directors, and to encourage excellent performance through rewards directly linked to the achievement of The Hanley's strategic objectives. The main components of the Executive Directors' remuneration are:

- a) **Basic Salary** – which takes into account the job content and responsibilities, individual performance (assessed annually) and salary levels for similar positions in comparable organisations.
- b) **Bonus** – which is a non-pensionable, performance related cash bonus payable on achievement of Board-specified key performance indicators (KPIs). These KPIs include Group profit, customer satisfaction measures, cost management and growth in other income. They are set at challenging levels and provide a true incentive to perform at high levels, consistent with the interests of members. Bonus payments to Executive Directors (and to Senior Managers) are payable annually, are not guaranteed and are reviewed each year.
- c) **Pensions** – which involves The Hanley contributing to the personal pension arrangements of its Executive Directors. The Society does not have a Defined Benefit/Final Salary pension scheme.
- d) **Other Benefits** – notably the provision of a company car to each Executive Director (or an equivalent allowance), private medical insurance, permanent health insurance and a concessionary mortgage rate on loans up to £40,000. Such benefits are reviewed annually by the Remuneration Committee.

Executive Directors have contractual notice periods of one year and so any termination payment would not exceed 12 months salary and accrued benefits. The performance of both the Chief Executive and Finance Director is reviewed on an annual basis by the Remuneration Committee.

Policy for Non-Executive Directors

The remuneration of all Non-Executive Directors is reviewed on an annual basis by the Remuneration Committee, using external data for other comparable building societies, and by a performance review process undertaken by the Society's Board Chairman. The remuneration of the Chairman is reviewed and set by the Remuneration Committee. There are no bonus schemes for Non-Executive Directors and they do not qualify for pension entitlement or other benefits. Non-Executive Directors do not have service contracts but serve under letters of appointment following election by the Society's membership.

The Remuneration Committee agreed the Directors' remuneration as follows:

	2007	2006
For services as a director:	£000	£000
E. M. Turner (Chairman)	31	30
Lord Stafford (Vice-Chairman)	20	17
A. Henshaw (from 28/02/07)	8	–
E. V. Jenner	19	18
W. J. Jennings (to 26/09/06)	1	16
T. P. Walsh	17	16
	<u>96</u>	<u>97</u>

For executive services:	Salary	Bonus	Benefits	Sub-total	Pension Contribution	Total
	£000	£000	£000	£000	£000	£000
2007						
D. Webster	134	24	16	174	20	194
S. Jones	67	12	9	88	9	97
	<u>201</u>	<u>36</u>	<u>25</u>	<u>262</u>	<u>29</u>	<u>291</u>
2006						
D. Webster	126	28	17	171	19	190
S. Jones	60	8	5	73	7	80
	<u>186</u>	<u>36</u>	<u>22</u>	<u>244</u>	<u>26</u>	<u>270</u>



The Rt. Hon. the Lord Stafford
Chairman of the Remuneration Committee
16 October 2007

Directors:	Mr. E. M. Turner F.C.A. The Rt. Hon. the Lord Stafford D.L. Dr. A. Henshaw B.Sc. (Hons.), Ph.D. Mr. E. V. Jenner B.Sc., F.C.M.A. Mr. S. Jones B.Sc., F.C.A., M.B.A. Mr. T. P. Walsh Mr. D. Webster	Chairman Vice-Chairman Finance Director Chief Executive
Secretary:	Mr. C. S. Hassall F.C.I.B., A.Co.I.	
Executives:	Mrs. C. Hammond Mr. D. Lownds B.Sc. (Hons.) Mrs. D. Thompson	Human Resources Manager Head of Business Support Head of Business Development
Auditors:	PricewaterhouseCoopers LLP	

Corporate Governance

Corporate Governance

The Hanley complies with the Code of Governance for Building Societies as issued by the Financial Services Authority within the Interim Prudential Source Book for Building Societies.

The Board provides leadership and direction with the strategic aim of promoting success within an effective and controlled framework.

The directors are committed to best practice in Corporate Governance and as such they have given due consideration to the Combined Code on Corporate Governance, which applies to listed companies. The Building Societies Association has provided guidance on this Combined Code and the Board have reviewed the requirements and, where they are appropriate to the Society, adopted them.

The Board

The Board consists of two Executive Directors and five Non-Executive Directors who provide the appropriate mix of skills and professional expertise required.

The offices of Chairman and Chief Executive are distinct and held by different people.

The Board considers that all its Non-Executive Directors are independent and free of any relationship which could prejudice their use of independent judgement. Within this the Board has considered the individual performance of any Director whose service exceeds nine years and is satisfied that independence is in no way jeopardised. The Board takes the view that the concept of a separate Senior Independent Director is not appropriate for The Hanley and that the Chairman is regarded as the Senior Independent Director to whom members should address any concerns or issues they may wish to raise. However all Directors are happy to make themselves available to members for such purposes.

All Directors are subject to annual performance and evaluation review, and in addition there is also an annual evaluation of the Board as a whole.

All Directors must meet the test of fitness and propriety as laid down by the FSA as 'Approved Persons' to fulfil their Controlled Functions as Directors.

The Society's rules require all Directors to submit themselves for election by the members at the first opportunity after their appointment and for re-election every three years. In addition, the Board has agreed that any non-executive director whose service exceeds nine years, will volunteer themselves for re-election on an annual basis.

All Directors have access to the advice of the Secretary and, if necessary, are able to take independent professional advice at the Society's expense.

The Board has four main sub-committees:-

1. The Assets & Liabilities Committee meets quarterly and monitors and controls balance sheet risk, funding and liquidity in accordance with the Society's policy. The committee comprises of two Non-Executive Directors, Ted Turner and Francis Stafford, and two Executive Directors, David Webster and Steven Jones (Chair).
2. The Audit & Compliance Committee meets quarterly and reviews the effectiveness of internal controls, the compliance function and the Group's risk management function. It considers and recommends the appointment of the internal and external auditors and monitors their effectiveness and independence. The committee comprises of three Non-Executive Directors, Edward Jenner (Chair), Ted Turner and Terry Walsh.
3. The Remuneration Committee meets at least twice a year and independently reviews and recommends changes to the terms and conditions of employment of the Directors and Senior Managers. The committee comprises of two Non-Executive Directors, Francis Stafford (Chair) and Ann Henshaw.
4. The Nominations Committee meets as required to consider Board appointments. All Board members sit on this committee.

Proceedings of all Committees are formally minuted and minutes are subsequently considered by the full Board.

Attendance at Board and Committee meetings for the year to 31 August 2007 has been recorded as follows:-

	Board	Audit & Compliance	Assets & Liabilities	Remuneration	Nominations
A. Henshaw	6 (6)	–	–	1 (1)	–
E. V. Jenner	11 (11)	4 (4)	–	–	1 (1)
W. J. Jennings	1 (1)	–	–	–	–
S. Jones	11 (11)	–	4 (4)	–	1 (1)
Lord Stafford	9 (11)	–	4 (4)	2 (2)	1 (1)
E. M. Turner	11 (11)	4 (4)	4 (4)	1 (1)	1 (1)
T. P. Walsh	11 (11)	4 (4)	–	–	1 (1)
D. Webster	11 (11)	–	3 (4)	–	1 (1)

() = number of meetings eligible to attend



E.M. Turner
Chairman
16 October 2007

Summary Financial Statement for the year ended 31 August 2007

This financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on demand at every office of Hanley Economic Building Society from 6 November 2007.

Approved by the Board of Directors on 16 October 2007 and signed on its behalf by:

E. M. Turner, *Chairman*

D. Webster, *Chief Executive*

S. Jones, *Finance Director*

Summary Directors' Report

A summary review of the events and business of the Group during the year and commentary on the financial position at the end of the year can be found on pages 2 and 3.

Executives and Staff

The Board wish to record their thanks to the staff, and our agents, for the vital contribution they continue to make. Adapting to new methods of working and changing long-standing practices is not always easy, but doing so is essential in the rapidly changing financial services market – and particularly in the diversified role the Society has elected to play in that market – and the support, co-operation and flexibility of the staff is critical to the success of The Hanley.

Group Results for the year

	2007	2006
	£000	£000
Net Interest receivable	5,694	4,823
Other income and charges	1,008	858
Administrative expenses	(3,887)	(3,725)
Provisions	(273)	(25)
Profit for the year before taxation	2,542	1,931
Taxation	(821)	(544)
Profit for the year	<u>1,721</u>	<u>1,387</u>

Financial Position at end of year

Assets

Liquid assets	110,919	80,639
Mortgages	226,343	237,845
Fixed and other assets	3,640	3,895
Total Assets	<u>340,902</u>	<u>322,379</u>

Liabilities

Shares	284,298	271,564
Borrowings	29,802	26,195
Other liabilities	1,732	1,271
Reserves	25,070	23,349
Total Liabilities	<u>340,902</u>	<u>322,379</u>

Summary of Key Financial Ratios

	2007	2006
Gross capital as a percentage of shares and borrowings	7.98%	7.84%
Liquid assets as a percentage of shares and borrowings	35.31%	27.08%
Profit for the year as a percentage of mean total assets	0.52%	0.44%
Management expenses as a percentage of mean total assets	1.17%	1.19%
Cost/income	58.00%	65.57%

Key Financial Ratios

The above percentages have been prepared from the Group's accounts and in particular:

Gross Capital

The gross capital ratio measures the proportion that the Group's capital bears to the Group's liabilities to members and other investors. The Group's capital consists of profits accumulated over many years in the form of reserves. Capital provides a financial buffer against any losses which might arise in the Group's business and therefore protects investors.

Liquid Assets

The liquid assets ratio measures the proportion of investors' funds which are held in the form of cash, short term deposits and marketable securities. Liquid assets are readily realisable, enabling the Group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans and to fund its general business activities.

Profit

The profit/mean total assets ratio measures the proportion which the profit after taxation for the year bears to the average of total assets at the start and end of the year. The Group needs to make a reasonable level of profit each year in order to maintain its capital ratio at a suitable level to protect investors.

Management Expenses

The management expenses/mean total assets ratio measures the proportion which the Group's administrative expenses (including depreciation and amortisation) bears to the average of the Group's total assets at the start and end of the year.

Cost/Income

The cost/income ratio represents the Group's administration expenses (including depreciation and amortisation), expressed as a percentage of the aggregate of net interest receivable and other income and charges less other operating charges.

Independent Auditors' statement to the members and depositors of the Hanley Economic Building Society

We have examined the Summary Financial Statement of the Hanley Economic Building Society on pages 10 and 11 of this document.

Respective Responsibilities of Directors and Auditors

The Summary Financial Statement is the responsibility of the Directors. Our responsibility is to report to you our opinion on its consistency with the full Annual Accounts, Annual Business Statement and Director's Report and its conformity with the requirements of Section 76 of the Building Societies Act 1986 and regulations made under it. We also read the other information contained in the Chief Executive's Business Review and consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the Summary Financial Statement.

This statement, including the opinion, has been prepared for, and only for, the Society's Members as a body and depositors as a body in accordance with Section 76 of the Building Societies Act 1986, and for no other purpose. We, do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person to whom this statement is shown, or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Basis of Opinion

We performed our audit work in accordance with the Bulletin 1999/6 'The Auditors' Statement on the Summary Financial Statement' issued by the Auditing Practices Standard Board for use in the United Kingdom.

Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, Annual Business Statement and Directors' Report of the Hanley Economic Building Society Group for the year ended 31 August 2007 and conforms with the requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester

16 October 2007

Interest Rates paid

Interest rates paid during the year were:

Gross rates effective from: 3 Sept 2005 4 Sept 2006 1 Dec 2006 1 Feb 2007 1 June 2007 1 Aug 2007

Growth Bonds (Annual Interest)

Balance less than £10,000	2.65%	2.90%	3.15%	3.40%	3.65%	3.90%
£10,000 - £24,999.99	3.20%	3.45%	3.70%	3.95%	4.20%	4.45%
£25,000 - £49,999.99	3.70%	3.95%	4.20%	4.45%	4.70%	4.95%
£50,000 - £99,999.99	3.90%	4.15%	4.40%	4.65%	4.90%	5.15%
£100,000 and above	4.15%	4.40%	4.65%	4.90%	5.15%	5.40%

Growth Bonds (Monthly Interest)

Balance less than £10,000	2.62%	2.86%	3.11%	3.35%	3.59%	3.83%
£10,000 - £24,999.99	3.15%	3.40%	3.64%	3.88%	4.12%	4.36%
£25,000 - £49,999.99	3.64%	3.88%	4.12%	4.36%	4.60%	4.84%
£50,000 - £99,999.99	3.83%	4.07%	4.31%	4.55%	4.79%	5.03%
£100,000 and above	4.07%	4.31%	4.55%	4.79%	5.03%	5.27%

Mini Cash ISA (Instant Access)

Balance less than £3,000	4.00%	4.25%	4.50%	4.75%	5.00%	5.25%
Balance £3,000 and above	4.60%	4.85%	5.10%	5.35%	5.60%	5.85%

Mini Cash ISA (Regular Saver)

	4.75%	5.00%	5.25%	5.50%	5.75%	6.00%
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Regular Saver

	5.20%	5.35%	5.60%	5.85%	6.10%	6.35%
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Note 28 Shares and Deposits

Balance less than £100	0.25%	0.50%	0.50%	0.50%	0.75%	1.00%
£100 - £9,999.99	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%
£10,000 - £24,999.99	1.95%	2.20%	2.45%	2.70%	2.95%	3.20%
£25,000 - £49,999.99	2.20%	2.45%	2.70%	2.95%	3.20%	3.45%
£50,000 - £99,999.99	2.45%	2.70%	2.95%	3.20%	3.45%	3.70%
£100,000 and above	2.80%	3.05%	3.30%	3.55%	3.80%	4.05%

Younger Savers

	4.45%	4.75%	5.05%	5.30%	5.55%	5.80%
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Child Trust Fund

	5.50%	6.00%	6.55%	6.80%	7.05%	7.30%
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Instant Access Shares

Balance less than £100	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%
£100 - £9,999.99	1.45%	1.65%	1.90%	2.15%	2.40%	2.65%
£10,000 and above	1.70%	1.90%	2.15%	2.40%	2.65%	2.90%

Postal 30 (Annual Interest)

Balance less than £10,000	3.10%	3.35%	3.60%	3.85%	4.10%	4.35%
£10,000 - £24,999.99	3.35%	3.60%	3.85%	4.10%	4.35%	4.60%
£25,000 - £49,999.99	3.70%	3.95%	4.20%	4.45%	4.70%	4.95%
£50,000 - £99,999.99	3.95%	4.20%	4.45%	4.70%	4.95%	5.20%
£100,000 - £199,999.99	4.15%	4.40%	4.65%	4.90%	5.15%	5.40%
£200,000 and above	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%

Postal 30 (Monthly Interest)

Balance less than £10,000	3.06%	3.30%	3.54%	3.78%	4.02%	4.27%
£10,000 - £24,999.99	3.30%	3.54%	3.78%	4.02%	4.27%	4.51%
£25,000 - £49,999.99	3.64%	3.88%	4.12%	4.36%	4.60%	4.84%
£50,000 - £99,999.99	3.88%	4.12%	4.36%	4.60%	4.84%	5.08%
£100,000 - £199,999.99	4.07%	4.31%	4.55%	4.79%	5.03%	5.27%
£200,000 and above	4.17%	4.41%	4.65%	4.89%	5.13%	5.37%

Closed Issues

Gross rates effective from: 3 Sept 2005 4 Sept 2006 1 Dec 2006 1 Feb 2007 1 June 2007 1 Aug 2007

Mini Cash ISA

Balance less than £3,000	4.10%	4.25%	4.50%	4.75%	5.00%	5.25%
£3,000 and above	4.90%	5.05%	5.30%	5.55%	5.80%	6.05%

TESSA Only ISA

	5.00%	5.15%	5.40%	5.65%	5.90%	6.15%
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Monthly Income Bonds

Balance less than £5,000	2.40%	2.65%	2.90%	3.15%	3.40%	3.65%
£5,000 - £9,999.99	2.60%	2.85%	3.10%	3.35%	3.60%	3.85%
£10,000 - £24,999.99	2.90%	3.15%	3.40%	3.65%	3.90%	4.14%
£25,000 - £49,999.99	3.15%	3.40%	3.65%	3.90%	4.15%	4.40%
£50,000 - £99,999.99	3.40%	3.65%	3.90%	4.15%	4.40%	4.65%
£100,000 and above	3.65%	3.90%	4.15%	4.40%	4.65%	4.90%

Target Shares - First Issue	1.85%	2.10%	2.35%	2.60%	2.85%	3.10%
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Staffordshire Wildlife Trust Postal 30

Balance £5,000 - £9,999.99	3.20%	3.45%	3.60%	3.85%	4.10%	4.35%
£10,000 and above as per Postal 30						

Postal 90 (Annual Interest)

Balance less than £25,000	4.05%	4.25%	4.50%	4.75%	5.00%	5.25%
£25,000 - £49,999.99	4.25%	4.40%	4.70%	4.95%	5.20%	5.45%
£50,000 - £99,999.99	4.35%	4.55%	4.80%	5.05%	5.30%	5.55%
£100,000 and above	4.65%	4.85%	5.10%	5.35%	5.60%	5.85%

Postal 90 (Monthly Interest)

Balance less than £25,000	3.98%	4.17%	4.41%	4.65%	4.89%	5.13%
£25,000 - £49,999.99	4.17%	4.36%	4.60%	4.84%	5.08%	5.32%
£50,000 - £99,999.99	4.27%	4.46%	4.70%	4.94%	5.18%	5.41%
£100,000 and above	4.55%	4.75%	4.98%	4.22%	5.46%	5.70%

Base Rate of

Bank of England	4.50%	4.75%	5.00%	5.25%	5.50%	5.75%
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Visit our website at www.thehanley.co.uk
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