

Business Review & Summary Financial Statement

for the year ended 31 August 2011



www.thehanley.co.uk

Chief Executive's Business Review

for the year ended 31 August 2011



“Our simple, unfussy approach has not always been fashionable, but in the post-recession era our values and virtues seem highly prized.”

Overview

I am pleased to report The Hanley's results for the financial year ended 31 August 2011, which demonstrate our resilience and underlying strength during a period of profound challenges in the operating environment for financial services firms in the UK.

Economic conditions remain fragile with Gross Domestic Product (GDP) growth predicted at only 1.3% in 2011 and continuing shrinkage of consumer spending, alongside a tightening of fiscal policy and of credit availability, whilst inflation rises faster than earnings growth. The housing market has seen some return to price stability, but nationally transaction levels in 2011 are well below the historic average and demand is lacklustre from potential homebuyers at a time when supply conditions are fragile. Home ownership in the UK actually peaked in 2001 at 73% and according to a recent report from the National Housing Federation it could fall to 63.8% in the next decade as a result of the “crisis of chronic under supply of new homes”.

Amidst this apparent turmoil the robustness and success of your local, mutual building society is strikingly clear. The Hanley exemplifies the fine characteristics of a strong capital base, a reliance on retail savings and a low risk approach to lending which have become the hallmarks of a distinctive and mutual approach to coping with the fierce conditions in our core markets. Our aim is to be the chosen provider of mortgages and savings products for customers and members across our heartland territory, and the way we achieve this is by our staunch independence as a local mutual building society, committed to excellent service and consistently providing good value products. Our simple, unfussy approach has not always been fashionable, but in the post-recession era our values and virtues seem highly prized.

The historically low Bank Base Rate (BBR) remained at 0.5% throughout our financial year (and indeed since March 2009) which has assisted in keeping monthly mortgage payments for Hanley borrowers at affordable levels, but of course the persistence of a low BBR puts pressure on Hanley savers as interest rates have been outstripped by inflation.

As a mutual we do not seek to maximise annual profits or surplus. We simply aim to make sufficient profits to bolster our reserves and enhance our capital base. The Hanley has a gross capital ratio of 9.28% which is amongst the highest in the building society sector, so our capital position is a strong one. This is a reflection of the fact that in the “boom years” we returned profits to our reserves rather than use annual profits to subsidise adventurous growth strategies. Consequently our reduction in group post tax profits this year to £323,000 from £727,000 last year should be viewed in the context of our determination to protect existing Hanley savers from reductions in savings rates and our desire to undertake prudent but expanded levels of new mortgage business in 2011.

Our 2010 pre-tax profits were bolstered by a credit of £269,000 due to a lower than expected interest rate charge on our Financial Services Compensation Scheme (FSCS) levy, payable as a result of the failure of Bradford & Bingley Bank, and so the underlying

reduction in annual operating profits this year is not as significant as it may seem. Our high reserves and strong capital base place The Hanley in the enviable position of being able to declare more modest profits this year, and given our high liquidity levels, we are also well placed to extend our mortgage lending in the next 12 months and replicate the lending success we have achieved this year.

Our consistent approach to margin management will continue in the year ahead as we strive to balance the challenges of a low interest rate environment with our commitment to providing members with excellent long term products and outstanding service.

Mortgages

The building society business model is a simple one; making secured loans on residential property which are funded primarily by deposits from our members. It is therefore very satisfying to report that our gross advances (mortgage completions) increased by 58% this year to £36m. This increase reflects our consistently competitive range of mortgage products and commitment to mortgage advice in our branch network, as well as our extension into the intermediary market via our Partnership lending initiative. Our net lending in 2011 increased by £24.5m against a backdrop of negative net lending across the mutual sector. Much is made in the national media of how lenders have evacuated the first-time buyer market, but this is not a charge that can be legitimately levelled at The Hanley. We remain committed to helping first-time buyers save for a deposit and we currently have mortgages available to first-time buyers at up to 95% loan to value ratio for borrowers who match our affordability criteria. However, The Hanley remains cautious and prudent in our lending policy and practices. We operate as a lender in markets which are familiar to us and we will not commit on riskier ventures which could corrupt our stability or tarnish our reputation.

A pleasing consequence of our prudent approach to lending over many years is that the Society's residential mortgage arrears are now at historically low levels. At the end of our financial year only 0.49% of our total loans were 3 months or more in arrears (14 cases out of 2,866 mortgages) and only one case over 12 months in arrears. Additionally our one residential property repossessed this year is currently being rented out and therefore earning an income for the Society. In total we have only 50 Society borrowers in arrears with an arrears aggregate of £98,000, the lowest level of residential mortgage arrears at The Hanley for 30 years.

The Hanley has a pedigree as a cautious lender and we believe, in the current climate of over-indebtedness across the UK economy, our prudence is a benefit to our members.

Lender	Initial date	Type and duration	Maximum rate	Fee	Redemption penalty
UNWE-SCOPED RESIDENTIAL MORTGAGES					
Yorkshire Bank	2/2011	Fixed until 31/03/12	6.5%	£300	3% falling to 2% of loan until 31/03/12
Money Economic	3/2011	Fixed until 31/03/14	6.5%	£400	2% of loan until 31/03/12
Leak United	4/2011	Fixed until 30/04/12	7.0%	£500	4% of loan until 31/03/14
AMS		Fixed until 31/03/12	6.5%	£500	4% of loan until 31/03/14
Coventry	2/2011	Capital at 0.30% until 31/03/12	5.0%	£500	4% falling to 1% of loan until 30/06/18
Hanley Economic	2/2011	Capital at 0.30% until 31/03/12	6.0%	£300	4% of loan until 31/03/12
First Direct	2/2011	Capital at 0.30% until 31/03/12	6.0%	£300	4% of loan until 31/03/12
Leak United	2/2011	Rate rate +1.70% for 2 years	7.0%	£300	2% of loan until 31/03/12
HSBC	2/2011	Rate rate +1.70% for 2 years	6.5%	£300	3% of loan for 2 years
AVG Direct	2/2011	Rate rate +0.25% for 2 years	7.0%	£340	None
LIQUIDITY MORTGAGES					
Priority	4/2011	Rate rate +3.40% until 31/03/12	6.0%	£300	None
Mortgage	5/2011	Rate rate +0.25% for 2 years	7.0%	£340	4% of loan until 31/03/12
					5% of loan until 30/06/14

Two mortgages from The Hanley feature in this national newspaper 'best buy' table.



The prestigious Investors in People Gold Award was one of several accolades won during the year.

Million Money	mmbfs.co.uk	Home 100 Daily Notice	£1,000	2.95%
West Bramwich BS	08453 30 06 22	Postal Direct b	£1,000	2.95%
CHILD TRUST FUNDS				
Hanley Economic BS	08005 42 87 90	Child Trust Fund	£250	5.00%
Leeds BS	08450 45 40 48	Child Trust Fund b	£50	3.05%
Yorkshire BS	08451 20 01 00	Child Trust Fund b	£50	3.00%

The Hanley's Child Trust Fund account consistently topped the tables.

Chief Executive's Business Review *continued*



Chief Executive David Webster pictured with his Honorary Doctorate alongside Professor Susan Foreman, Dean of the Business School, Staffordshire University.



Sandra Glover, Savings Specialist, retired after 41 years with the Society.

Savings

The challenge to the Society of a persistently low BBR environment is to proactively manage our retail savings flows, and balance the need to raise funds at an economic rate whilst continuing to offer long term excellent value savings products to our members. Our retail savings balances reduced by 6.1% this year as we consciously moderated our exposure to higher-rate accounts, notably ISAs, and altered the blend of our product range. Whilst our borrowing members continue to benefit from low interest rates, our savings members face sterner choices and unsurprisingly, the lure of National Savings & Investments popular RPI-linked tax free savings certificates proved irresistible to many. At an individual level such government-subsidised offerings seem perfectly logical but for mutuals such as The Hanley having to compete with tax free products, and indeed with products provided by government-owned and part-owned Plc banks, merely exacerbates the already potent problem of attracting and retaining savers in a low BBR marketplace. Nevertheless, Hanley savers benefited from a sequence of “best-buy” savings products in 2011, notably our 1 year 3.5% fixed rate bond which reached national prominence during the summer. We also opened our 3,000th Child Trust Fund (CTF) account in 2011, a product recognised by Moneyfacts and Which? as the best cash CTF since the inception of the scheme. It is our intention to launch a Junior ISA in November 2011.

Our Community and our People

As a mutual The Hanley is answerable to its members, not to external shareholders, and our commitment to member engagement is best illustrated by the AGM voting turnout last year of 22% which was the second highest in the building society sector. Members continue to be involved in our Customer Forum meetings and more recently we embraced the social media route to connecting with members by having a presence on Facebook alongside our regular blogs on www.thehanley.co.uk.

Our newest branch in Biddulph has been given the warmest of welcomes by the local community and new business continues to blossom even in these difficult market conditions. Opening our sixth branch in such challenging economic times underlined our



The opening of our new branch at Biddulph was marked by a reception for guests including the Mayor of Biddulph, during which Chief Executive David Webster presented a cheque for £1,000 to the Douglas Macmillan Hospice.

commitment to the local community at a time when other financial organisations chose to desert the High Street. The branch network at The Hanley is pivotal to our distinctiveness and our relevance in the local community of Stoke-on-Trent and North Staffordshire.



Our commitment to the community we serve and to a range of local charities is as strong as ever. Once again the Potters 'Arf marathon, which we sponsored in June 2011, was the centrepiece of our fund raising activities and over £15,000 was raised for the Douglas Macmillan Hospice, a magnificent local charity. We also actively supported several local schools and community groups in contending with the harsh impact of the more austere financial environment they currently face.

The Hanley continued its sponsorship of the high profile Potters 'Arf and runners once again turned out in large numbers, raising thousands of pounds for charity.

The Hanley places great emphasis on making a positive impact in our local community, but we can only maximise this impact if the calibre of our people is exceptional. In this regard we can claim to be Gold Standard; in 2011 The Hanley joined an elite group of businesses which have been awarded Investors in People (IIP) Gold status, an accolade which less than 1% of IIP accredited firms can claim. I am immensely proud of my colleagues at The Hanley and I know that their dedication and focus will be essential as we face the challenges of the coming year.

“Our commitment to the community we serve and to a range of local charities is as strong as ever.”

Looking ahead we must anticipate and prepare for another challenging year, but The Hanley has demonstrated an ability to withstand even the fiercest of economic and business climates. Our mutual model enables us to put the interests of our members at the heart of what we do, and our clear strategy distinguishes us from our competitors. As we pass our 157th anniversary we can, with optimism, reinforce our objectives of combining the roots and traditions of a mature organisation with the verve and efficiency of a contemporary mutual. Our values, our importance to the local marketplace and our outstanding people will help us do just that.

David Webster
Chief Executive
18 October 2011

Your Board



Edward Jenner, age 56, was appointed to the Board as a Non-Executive Director in January 1998 and has been Chairman of the Board since October 2009.

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 manages a property development business.



Francis Stafford, age 57, was appointed to the Board as a Non-Executive Director in January 1993, and appointed Vice Chairman in December 1997. He has served on both the Assets & Liabilities Committee and the Remuneration Committee as Chairman and is still a member of both of them. His past positions have been as Chairman of the Audit Committee at the NHS Foundation Hospital and also Chairman of both Keele and Harper Adams Universities. He has recently been appointed as Chairman of the Country Foundation for Education helping young people gain employment on farms and estates.

Lord Stafford currently manages his family estate at Swynnerton Park, some of which has been in his family for over 900 years.



Philip Dearing, age 61, was appointed to the Board as a Non-Executive Director in October 2009 and is a member of the Audit, Risk and Compliance Committee and sits on the Boards of the Society's two subsidiary companies.

Philip maintains a keen interest in all aspects of the housing market and in particular the funding of both social and private sector homes.



Dr Ann Henshaw, age 64, was appointed to the Board as a Non-Executive Director in February 2007 and is a member of the Remuneration Committee of which she has recently been appointed Chair. She is the Senior Independent Director and has a special interest in the process of Treating Customers Fairly (TCF).

Ann has a broad range of experience and skills that are vested in a long and successful career in business, Psychology and Alternative Dispute Resolution. She continues to work as a Family Mediator with the families, lawyers and court systems of Stoke-on-Trent. She has recently become involved in the national training and assessment of Family Mediators.

Also at a national level Ann acts as a Panel Chair for the Ministry of Justice and as such continues to play a significant role in the appointment of the judiciary for England and Wales.



Steven Jones, age 48, was appointed Finance Director in May 2004. He currently Chairs the Assets & Liabilities Committee and is a member of the Risk, Treasury and Credit Committees. His executive management responsibilities include finance, treasury and information systems.

Steven, who lives locally, 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 actively supports the local voluntary sector and currently sits on the Boards of North Staffs MIND and Age UK North Staffordshire.



John Wood, age 55, was appointed to the Board as a Non-Executive Director in April 2008 and is Chairman of the Audit, Risk and Compliance Committee.

Following a successful career with Staffordshire Police he retired as acting Assistant Chief Constable and brings a broad range of experience of working in a professional environment at a high level. In 2006 John was awarded the Queen's Police Medal for distinguished service.

Amongst his activities outside the Society John enjoys running and this year again ran in the Potters 'Arf Marathon sponsored by The Hanley.



David Webster, age 52, has been Chief Executive at The Hanley since April 2002 and has led the Society through a period of unprecedented turbulence in our core markets. David has helped formulate the Hanley's successful strategy and has overseen the delivery of consistently outstanding business results over a sustained period, while at the same time strengthening the Society's commitment to, and investment in the local community. He is committed to The Hanley's future as a local, mutual building society.

David is a former Chairman of the Building Societies Association and member of the BSA Council. In July 2011 he was made an Honorary Doctor of Staffordshire University.

Summary Directors' Remuneration Report for the year ended 31 August 2011

Directors' Remuneration

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 is reviewed annually 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 up to one year and so any termination payment would not exceed 12 months salary and accrued benefits. The performance of 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:

	2011	2010
Non-Executive Directors:	£000	£000
E.V. Jenner (Chairman)	33	31
Lord Stafford (Vice-Chairman)	21	21
P. R. Dearing	20	18
A. Henshaw	18	18
E. M. Turner (to 20.10.09)	–	5
J. H. Wood	21	21
	<u>113</u>	<u>114</u>

	Salary	Bonus	Benefits	Sub-total	Pension Contribution	Total
Executive Directors:	£000	£000	£000	£000	£000	£000
2011	£000	£000	£000	£000	£000	£000
D. Webster	157	–	15	172	23	195
S. Jones	75	–	6	81	9	90
D. J. Thompson (to 22.10.2010)	30	–	–	30	1	31
	<u>262</u>	<u>–</u>	<u>21</u>	<u>283</u>	<u>33</u>	<u>316</u>
2010	£000	£000	£000	£000	£000	£000
D. Webster	157	–	15	172	23	195
S. Jones	75	–	6	81	9	90
D. J. Thompson (part time)	44	–	4	48	5	53
	<u>276</u>	<u>–</u>	<u>25</u>	<u>301</u>	<u>37</u>	<u>338</u>

The Executive Directors waived their entitlement to any Bonus earned during the year.

Dr Ann Henshaw
Chair of the Remuneration Committee
18 October 2011

Summary Financial Statement for the year ended 31 August 2011

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 4 November 2011, or can be downloaded from the Society's website www.thehanley.co.uk

Approved by the Board of Directors on 18 October 2011 and signed on its behalf by:

E. V. Jenner, *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 to 5.

Executives and Staff

The Board wish to record their thanks to the staff, and our business contacts. Contending with the rapidly changing financial services landscape has presented numerous challenges to our people and they continue to rise to these challenges with enthusiasm and skill.

Group Results for the year

	2011	2010
	£000	£000
Net Interest receivable	3,763	3,797
Other income and charges	242	490
Administrative expenses	(3,539)	(3,524)
Provision for contingent liabilities – FSCS Levies	(26)	269
Profit for the year before taxation	440	1,032
Taxation	(117)	(305)
Profit for the year	<u>323</u>	<u>727</u>

Financial Position at end of year

Assets

Liquid assets	95,481	101,120
Mortgages	233,732	229,797
Fixed and other assets	3,852	3,736

Total Assets

	<u>333,065</u>	<u>334,653</u>
--	----------------	----------------

Liabilities

Shares	269,481	286,903
Borrowings	34,387	18,827
Other liabilities	984	1,033
Reserves	28,213	27,890

Total Liabilities

	<u>333,065</u>	<u>334,653</u>
--	----------------	----------------

Summary of Key Financial Ratios

	2011	2010
Gross capital as a percentage of shares and borrowings	9.28%	9.12%
Liquid assets as a percentage of shares and borrowings	31.42%	33.07%
Profit for the year as a percentage of mean total assets	0.10%	0.21%
Management expenses as a percentage of mean total assets	1.06%	1.03%
Cost/income	88.36%	82.20%

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 how the proportion of investors' funds (held in the form of cash, short term deposits and marketable securities) bears to the Group's liabilities to members and other investors. 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 Directors are responsible for preparing the Business Review & Summary Financial Statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Business Review & Summary Financial Statement with the Annual Accounts, Annual Business Statement and Directors' 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 Business Review & Summary Financial Statement, and consider the implications for our statement if we become aware of any apparent misstatements 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 conducted our work in accordance with the Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the Group and Society's full Annual Accounts describes the basis of our audit opinions on those Annual Accounts.

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 2011 and complies with the requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Manchester

18 October 2011

Interest Rates paid during the year

Effective from 1 April 2009

	Gross Contractual or gross rate	Net Illustrative only based upon the applicable rate of income tax	Annual Equivalent Rate		Gross Contractual or gross rate	Net Illustrative only based upon the applicable rate of income tax	Annual Equivalent Rate
	%	20%	%		%	20%	%
Instant Access							
(Including Hi-Rate Deposit and Notice 28)							
Balance £100,000 and above	0.35	0.28	0.35	Monthly Interest			
Balance £50,000 – £99,999.99	0.25	0.20	0.25	Balance £100,000 and above	1.34	1.07	1.35
Balance £25,000 – £49,999.99	0.20	0.16	0.20	Balance £50,000 – £99,999.99	1.05	0.84	1.05
Balance £10,000 – £24,999.99	0.15	0.12	0.15	Balance £25,000 – £49,999.99	0.95	0.76	0.95
Balance £100 – £9,999.99	0.10	0.08	0.10	Balance less than £25,000	0.75	0.60	0.75
Balance less than £100	0.05	0.04	0.05	Tax Free Savings			
Notice Accounts							
Notice 30							
(Including Growth Bonds, Monthly Income Bonds and Postal 30)							
Annual Interest							
Balance £200,000 and above	1.00	0.80	1.00	Cash ISA – Instant access			
Balance £100,000 – £199,999.99	0.90	0.72	0.90	Balance £3,000 and above	1.55	Tax Free	1.55
Balance £50,000 – £99,999.99	0.75	0.60	0.75	Balance less than £3,000	0.95	Tax Free	0.95
Balance £25,000 – £49,999.99	0.60	0.48	0.60	Cash ISA – Regular Saver			
Balance £10,000 – £24,999.99	0.45	0.36	0.45				
Balance less than £10,000	0.30	0.24	0.30				
Monthly Interest							
Balance £200,000 and above	1.00	0.80	1.00	Children's Savings			
Balance £100,000 – £199,999.99	0.90	0.72	0.90	Child Trust Fund	5.00	Tax Free	5.00
Balance £50,000 – £99,999.99	0.75	0.60	0.75	Young Saver	1.35	1.08	1.35
Balance £25,000 – £49,999.99	0.60	0.48	0.60	Regular Savings			
Balance £10,000 – £24,999.99	0.45	0.36	0.45	Branch Regular Saver	1.60	1.28	1.60
Balance less than £10,000	0.30	0.24	0.30	Tracker Savings			
Monthly Interest							
Balance £200,000 and above	1.00	0.80	1.00	Branch Saver	0.50	0.40	0.50
Balance £100,000 – £199,999.99	0.90	0.72	0.90	Corporate Account			
Balance £50,000 – £99,999.99	0.75	0.60	0.75	Corporate Saver			
Balance £25,000 – £49,999.99	0.60	0.48	0.60	Balance £100,000 and above	1.45	1.16	1.45
Balance £10,000 – £24,999.99	0.45	0.36	0.45	Balance £50,000 – £99,999.99	1.15	0.92	1.15
Balance less than £10,000	0.30	0.24	0.30	Balance less than £50,000	1.05	0.84	1.05
Notice 90							
(Formerly Postal 90)							
Annual Interest							
Balance £100,000 and above	1.35	1.08	1.35	Closed Issues			
Balance £50,000 – £99,999.99	1.05	0.84	1.05	Regular Saver	1.95	1.56	1.95
Balance £25,000 – £49,999.99	0.95	0.76	0.95	Cash ISA – 30 day notice	1.85	Tax Free	1.85
Balance less than £25,000	0.75	0.60	0.75	(Including Cash ISA 60 day notice)			
Bank of England Base Rate							
5 March 09 0.5%							

Important information about compensation arrangements

Hanley Economic Building Society is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to savers if a building society or bank is unable to meet its financial obligations. Most savers – including most individuals and small businesses – are covered by the scheme.

In respect of savings, an eligible saver is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share of the account, so for a joint account held by two eligible savers, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible saver's accounts with the society including their share of any joint accounts, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call 0800 678 1100 or 01782 255000.

Registered Office: Granville House Festival Park Hanley Stoke-on-Trent ST1 5TB
Tel: (01782) 255000 Email: hebs@thehanley.co.uk

Visit our website at www.thehanley.co.uk
Authorised and Regulated by the Financial Services Authority