

Business Review & Summary Financial Statement

for the year ended 31 August 2013



Regional Lending Provider
of the Year



www.thehanley.co.uk



investor in excellence



INVESTOR IN PEOPLE



Chief Executive's Business Review

for the year ended 31 August 2013



Overview

I am very pleased to report The Hanley's results for our financial year ended 31 August 2013 which emphatically underline our resilience and core strength as a mutually owned business.

The UK economy's gross domestic product (GDP) grew by 0.7% in the second quarter of 2013 and business surveys suggest that economic activity will continue to rise in the coming months due largely to improved credit conditions. The Organisation for Economic Co-operation and Development (OECD) recently revised upwards its forecast for UK economic growth in 2013 to 1.51% from its previous estimate of 0.8%. Additionally the Bank of England's Monetary Policy Committee (MPC) has issued "forward guidance" declaring that there is no intention to raise the Bank Base Rate (BBR) above the 0.5% level at which it has been set since March 2009, until the unemployment rate falls to 7% (subject to certain "knock outs" not occurring) which it does not expect before 2016.

The prospect of a low BBR environment persisting and improved confidence in the housing market, alongside the Government's various intervention schemes, notably Funding for Lending (FLS) and Help to Buy, have combined to stimulate demand in the housing market to the extent that the most recent Royal Institution of Chartered Surveyors survey revealed that new buyer enquiries have reached their highest levels for four years, and the Nationwide House Price Index shows that prices have risen 3.5% in the year to August 2013. Additionally, the most recent Property Tracker survey from the Building Societies Association (BSA) revealed that most consumers now believe that house prices will continue to rise in the year ahead and that signs of recovery are bolstered by wider availability of mortgages for first time buyers with modest deposits.

Clearly any sense of a recovery gaining momentum needs to be treated cautiously as the picture is not uniformly rosy across the UK and of course the impact of the artificial stimuli put in place by the Government should not be underestimated. However, the housing market now shows signs of an uplift in activity and optimistic sentiment which was absent a year ago.

Coping with the inevitable changes which accompany a dynamic market such as the UK financial services marketplace has been a hallmark of the building society sector. The Hanley is characterised by our status as a local, independent mutual with a strong capital base, a cautious approach to residential lending, a reliance on retail savings and a powerful franchise in our heartland. In our 159 year history we have overcome many challenges and indeed survived many storms which have overwhelmed larger competitors. This has required clarity of purpose in doing what is right for our members, alongside a commercially viable business strategy with medium and long term objectives, which exemplify contemporary standards of business behaviour and deliver sustainable

“In our 159 year history we have overcome many challenges and survived many storms which have overwhelmed our larger competitors.”

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Visit our website at www.thehanley.co.uk

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

success. As a mutual we do not seek to maximise annual profits but instead focus on achieving a level of profit which will bolster our reserves and reinforce our capital strength. Also, we do not have to pay dividends to external shareholders and so all our profits each year can be added to reserves, which in the current jargon are known as Core Equity Tier 1 (CET1) capital. This is designed to absorb any future losses, should they ever emerge. Of course a key feature of the banking crisis in 2008/09 was that many large banks held insufficient capital to cover the losses they incurred in those years and so became reliant on Government bailouts to stay in existence. Since the financial crisis regulators in the UK and worldwide have understandably insisted upon higher levels of CET1 capital and it is reassuring to report that The Hanley already exceeds the standards demanded by our regulators. Our gross capital ratio of 9.37% is amongst the strongest in the mutual sector and we remain financially robust. In this context our reduction in pre-tax profits to £284k this year from £548k the year before should be viewed as a demonstration of our mutual ethos. Put simply, we chose not to reduce interest rates on all our members' savings accounts during the year in view of our underlying capital strength. Such a measured approach is only feasible because The Hanley returned significant profits to our reserves during the "boom market" in the early years of the past decade.

Mortgages

The business model of a traditional building society such as The Hanley is a simple one; it centres on lending on residential property by raising funds from our retail savers. So it is particularly pleasing to report another year of increased mortgage lending with gross advances (mortgage completions) up by 15% to £47million. This reflects our continued commitment to tailored mortgage advice via our branch network and our blossoming success in the intermediary market. We pride ourselves in being adept in niche lending and a superb example of this is our success in assisting 40 new borrowers through our self-build mortgage product, in partnership with Buildstore the acknowledged experts in this evolving segment of the housing market. In fact The Hanley gained national recognition during the financial year when we won the prestigious 'Build It' award for Innovation in the self-build mortgage market. We were also proud to receive the Regional Lending Provider of the Year award from Moneyfacts, which fortifies our claim to be a lender that punches above its weight in a congested marketplace.

During 2013 there was considerable media coverage of the paucity of choice for aspiring first time buyers with less than a 10% deposit, but we were able to provide mortgages to 60 such local first time buyers during the year, an achievement which brought us a Highly Commended accolade from Moneywise.

Our net lending (excluding capital payments) totalled £23.7m this year. This is a 47% increase on our previous financial year and is particularly pleasing given the pattern of negative net lending reported across the market in 2013, even amongst those banks which have taken funds from the Government's Funding for Lending Scheme.

Prudent lending has served The Hanley well over many years and we now have the lowest levels of mortgage arrears in our recent history with only 0.40% (2012: 0.46%) of our mortgages in arrears of three months or more.



The Hanley's success is often recognised in the local media.

“ We pride ourselves at being adept in niche lending. ”



Another year of increased mortgage lending included receiving the Regional Lending Provider of the Year award from Moneyfacts.



Our Buildstore product won the prestigious 'Build It' award for Innovation in the self-build mortgage market.

Chief Executive's Business Review *continued*



David Critchley, 100th customer to open a Douglas Macmillan Hospice Saver account, joins Business Development and Marketing Co-ordinator Sue Pedley (centre) to present a cheque for money raised from the account to Rachel Jones, Fundraiser with the hospice.

This is just ten cases out of 2,509 residential mortgages and means that our percentage of mortgage arrears is now around a third of the sector average. Only two cases are in arrears of over 12 months (2012: 1) and in total The Hanley has only 39 borrowers in mortgage arrears with our aggregate residential mortgage arrears now £65,000 (2012: 52 cases, £72,000). This figure exemplifies our cautious approach to underwriting over a long period of time and distinguishes The Hanley as a responsible lender.

Savings

To note that these are harsh times for savers is to make an obvious but accurate statement. Compression of savings rates has been a consequence of the prolonged period of BBR at 0.5% and the introduction of the FLS, which enabled participants to utilise cheap Government funding rather than rely on retail savers. Savings products which exceed the prevailing rate of inflation are very rare and the incentive for individuals to save is elusive. At The Hanley we are mindful that the low BBR has been beneficial for our borrowing members but punishing for our saving members and so a concerted effort was made to redress the balance this year. Within the bounds of affordability, we have attempted to protect savers' rates and to uplift our savings balances in a measured way. Consequently our savings balances have increased by 5% in 2013 adding £12 million to our retail funds. We opened 30% more accounts in 2013 than during the previous year and in a modest way we have reinforced the importance of a savings culture against a backdrop of the obvious disincentives to save. We have a suite of fixed rate bonds which matured during 2013 and our retention rate of 86% (2012 : 82%) suggests that members appreciate our efforts to offer competitive interest rates and members also value the personal service they receive from The Hanley and the transparent way we handle such bond maturities.



A successful Home & Garden Show was just one of the events which gave us valuable exposure during the year.

We also took great pride in launching the DMH Saver Account in January 2013 in partnership with our chosen charity the Douglas Macmillan Hospice which was celebrating its 40th anniversary. Savers get the benefit of an instant access account knowing that The Hanley will donate an amount equivalent to 1% of the total annual balance to the hospice. We have already donated £2,512 to DMH and opened 100 new accounts which is a fine example of your Society working in the community in which we serve and extending the reach of our mutual business.

Our Community and Our People

As a mutual we are owned by our members, we are answerable to them and eager to engage with them in a meaningful way. An important dimension of this member engagement is our aim to achieve the highest AGM voting turnout in the building society

Building societies are healthy and open for business

Speaking at the annual Building Societies Association lunch, BSA chairman David Webster stated that building societies and other mutuals are open for business.

As the reputation of banks has been damaged in recent years Webster finds it amusing that banks are now highlighting the virtues of "customer service, personal attention and a branch network when



"Net lending in the UK as a whole has been subdued at £6 billion so far in 2013, but £4.9 billion of that was contributed by the mutual sector. At a more granular level, building societies continue to grapple with the often quoted plight of first-time buyers, and currently mutuals account for 50 per cent of all mortgages at 90 per cent of the total value."

Chief Executive David Webster reflects on the strengths of mutual societies in his role as last year's chairman of the Building Societies Association.

sector. We did so again this year with 21.9% of our membership exercising their vote. We strive to achieve open, candid and transparent communications with our members and this is enhanced by our regular Forum meetings hosted by myself or the Deputy Chief Executive, Steve Jones, and attended by one of our Non-Executive Directors. The agenda is set by the members who attend and any member of the Society is welcome to join us.

Connecting with our local community in North Staffordshire is as vital now as it has always been and our branches are pivotal in demonstrating the friendly and approachable way we do business. Our continued commitment to a branch network is neither old fashioned nor altruistic; on the contrary we believe that The Hanley has a responsibility to stay in proximity to the communities we serve by remaining accessible. We also regard the evacuation of local high streets by large Plc banks as a potential opportunity for The Hanley to succeed where they have failed.

Once again in 2013 our flagship fundraising event was the Potters 'Arf marathon which we sponsored for the 6th consecutive year and which achieved its highest ever number of race entrants as well as raising over £15,000 for the Douglas Macmillan Hospice. The austere economic climate has been damaging for many charities. However, we wish to continue to assist whenever we can so that local people can see that their local building society has carved a unique position in this area based on both financial performance and relevance as an influential employer.

At The Hanley we believe that "Values Drive Value". Our members can see tangible benefits from being a part of the Hanley Economic Building Society, but this is only possible because of the outstanding calibre of our people. During this past year our people have shone as ambassadors of the Society and have been rewarded with a unique hat-trick of external awards -

- Investors in Excellence re-accreditation
- National Skills Academy for Financial Services training accreditation
- Best Companies 2013 - 1 Star re-accreditation

Such accolades reinforce our belief that The Hanley has a culture, a strategy and a reputation of which our members can be justifiably proud and which will continue to provide sustainable success as a local, independent mutual for many years to come.

David Webster
Chief Executive
15 October 2013



Community activities included sponsorship of a junior football team in Biddulph.

“Connecting with our community is as vital now as it has always been.”



The Potters 'Arf was our flagship fundraising event, attracting vast numbers of runners and spectators and thousands of pounds for charity.

Your Board



Edward Jenner, aged 58, was appointed to the Board as a Non-Executive Director in January 1998 and has been Chairman since October 2009.

He is a member of the Assets & Liabilities Committee and the Audit, Risk & Compliance Committee. He has a wealth of business experience which has included a Non-Executive Directorship of CORGI, the former gas safety body, roles with the Wedgwood Group as both Strategic Development Director and Finance Director, before which he spent 20 years in Unilever. Today he manages a property development business and is on the board of an insurance company.



Francis Stafford, age 59, 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. 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 Countryside Learning which helps educate inner city schoolchildren about the countryside through farm and estate visits.

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 63, joined the Board as a Non-Executive Director in October 2009. Philip is currently Chair of the Remuneration Committee, a member of the Society's Audit Risk & Compliance Committee and a Board member of The Hanley's two subsidiary companies, Hanley Mortgage Services Ltd and Hanley Financial Services Ltd.

Philip brings over 30 years' experience of the mutual Bank and Building Society sector to his role as a Non- Executive Director of the Society, with the principal objective of ensuring The Hanley remains a vibrant and competitive organisation dedicated to the needs of its members and the wider community.



Fionnuala Earley, aged 49, was co-opted to the Board as a Non-Executive Director on 1 September 2013 and is a member of the Assets and Liabilities Committee.

Fionnuala has spent her career as a specialist in housing market economics. She has a wide experience of the industry from many perspectives having worked in both the mutual and non-mutual mortgage lending sector, with the FSA and also in Europe. She is currently Director of Residential Research at Hamptons International.



Steven Jones, age 50, was appointed Finance Director in May 2004 and Deputy Chief Executive in June 2012. He currently Chairs the Assets & Liabilities Committee and is a member of the Risk, Treasury and Credit Committees. His executive management responsibilities include finance, risk and treasury.

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 is the Chairman of Age UK North Staffs. In addition Steven is an Independent Board member of Wulvern Housing Ltd and a member of the Audit Committee for Newcastle-under-Lyme College.



John Wood, age 57, was appointed to the Board as a Non-Executive Director in April 2008 and is Chairman of the Audit, Risk and Compliance Committee.

He joined the Board after a successful career with Staffordshire Police from where he retired as acting Assistant Chief Constable. In 2006 he was awarded the Queen's Police Medal for distinguished service.

John brings a broad range of strategic and practical experience of working in a professional environment at a high level and is a strong advocate of doing what is right for our members' long term interests. Amongst his activities outside the Society he enjoys running and this year again ran in the Potters 'Arf Marathon sponsored by The Hanley.



David Webster, David Webster, age 54, has been Chief Executive at The Hanley since April 2002 and is fully committed to The Hanley's future as an independent, local mutual Building Society with strong roots in the community of North Staffordshire. He is a keen supporter of local businesses and community initiatives in North Staffordshire. David was elected onto the Council of Keele University in August 2010 and in August 2012 he assumed the role of Honorary Treasurer at the University.

In July 2011 David was awarded an Honorary Doctorate by Staffordshire University in recognition of his contribution to the local business community.

David was elected to the Building Societies Association Council in 2007 and was appointed Chairman of the BSA in May 2012 for a second time, having undertaken the role previously in 2010.

David is married to Michelle and has two children, Grace and Paul. He spends most of his leisure time either with his family or at Trentham Golf Club.

Summary Directors' Remuneration Report for the year ended 31 August 2013

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 Deputy Chief Executive & 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:

	2013	2012
Non-Executive Directors:	£000	£000
E. V. Jenner (Chairman)	33	33
Lord Stafford (Vice-Chairman)	22	21
P. R. Dearing	21	20
A. Henshaw	18	18
J. H. Wood	22	21
	<u>116</u>	<u>113</u>

	Salary	Bonus	Benefits	Sub-total	Pension Contribution	Total
Executive Directors:	£000	£000	£000	£000	£000	£000
2013						
D. Webster	170	–	13	183	26	209
S. Jones	88	–	5	93	11	104
	<u>258</u>	<u>–</u>	<u>18</u>	<u>276</u>	<u>37</u>	<u>313</u>
2012						
D. Webster	163	–	14	177	24	201
S. Jones	80	–	5	85	10	95
	<u>243</u>	<u>–</u>	<u>19</u>	<u>262</u>	<u>34</u>	<u>296</u>

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

Philip Dearing
Chair of the Remuneration Committee
15 October 2013

Summary Financial Statement for the year ended 31 August 2013

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 1 November 2013, or can be downloaded from the Society's website www.thehanley.co.uk

Approved by the Board of Directors on 15 October 2013 and signed on its behalf by:

E. V. Jenner, *Chairman* D. Webster, *Chief Executive* S. Jones, *Deputy Chief Executive & 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

	2013	2012
	£000	£000
Net Interest receivable	3,827	3,874
Other income and charges	75	73
Administrative expenses	(3,450)	(3,411)
Provisions for bad and doubtful debts	–	182
Profit before FSCS levy	452	718
Provision for FSCS levy	(168)	(170)
Profit for the year before taxation	284	548
Taxation	(81)	(165)
Profit for the year	203	383

Financial Position at end of year

Assets

Liquid assets	79,190	88,141
Mortgages	254,024	239,246
Fixed and other assets	3,796	3,702

Total Assets

	337,010	331,089
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Liabilities

Shares	259,432	247,717
Borrowings	47,856	53,627
Other liabilities	923	1,149
Reserves	28,799	28,596

Total Liabilities

	337,010	331,089
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Summary of Key Financial Ratios

	2013	2012
Gross capital as a percentage of shares and borrowings	9.37%	9.49%
Liquid assets as a percentage of shares and borrowings	25.77%	29.25%
Profit for the year as a percentage of mean total assets	0.06%	0.12%
Management expenses as a percentage of mean total assets	1.03%	1.03%
Cost/income	88.42%	86.42%

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 (above) 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 report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Chief Executive's Business Review and the Summary Directors' Remuneration Report.

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 2013 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

15 October 2013

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
Instant Access (Including Hi-Rate Deposit and Notice 28)	%	20%	%	%	20%	%
Balance £100,000 and above	0.35	0.28	0.35			
Balance £50,000 – £99,999.99	0.25	0.20	0.25			
Balance £25,000 – £49,999.99	0.20	0.16	0.20			
Balance £10,000 – £24,999.99	0.15	0.12	0.15			
Balance £100 – £9,999.99	0.10	0.08	0.10			
Balance less than £100	0.05	0.04	0.05			
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			
Balance £100,000 – £199,999.99	0.90	0.72	0.90			
Balance £50,000 – £99,999.99	0.75	0.60	0.75			
Balance £25,000 – £49,999.99	0.60	0.48	0.60			
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			
Balance £100,000 – £199,999.99	0.90	0.72	0.90			
Balance £50,000 – £99,999.99	0.75	0.60	0.75			
Balance £25,000 – £49,999.99	0.60	0.48	0.60			
Balance £10,000 – £24,999.99	0.45	0.36	0.45			
Balance less than £10,000	0.30	0.24	0.30			
Notice 90 (formerly Postal 90) Annual Interest						
Balance £100,000 and above	1.35	1.08	1.35			
Balance £50,000 – £99,999.99	1.05	0.84	1.05			
Balance £25,000 – £49,999.99	0.95	0.76	0.95			
Balance less than £25,000	0.75	0.60	0.75			
Monthly Interest						
Balance £100,000 and above	1.34	1.07	1.35			
Balance £50,000 – £99,999.99	1.05	0.84	1.05			
Balance £25,000 – £49,999.99	0.95	0.76	0.95			
Balance less than £25,000	0.75	0.60	0.75			
Tax Free Savings						
Cash ISA – Instant access						
Balance £3,000 and above	1.55	Tax Free	1.55			
Balance less than £3,000	0.95	Tax Free	0.95			
Cash ISA – Regular Saver	1.70	Tax Free	1.70			
Children's Savings						
Young Saver	1.35	1.08	1.35			
Junior ISA	2.50	Tax Free	2.50			
Regular Savings						
Branch Regular Saver	1.60	1.28	1.60			
Tracker Savings						
Branch Saver	0.50	0.40	0.50			
Corporate Account						
Corporate Saver						
Balance £100,000 and above	1.45	1.16	1.45			
Balance £50,000 – £99,999.99	1.15	0.92	1.15			
Balance less than £50,000	1.05	0.84	1.05			
Closed Issues						
Regular Saver	1.95	1.56	1.95			
Postal 180 Day Notice						
Issue 1 Balance £5,000 and above	3.20	2.56	3.20			
Issue 2 Balance £5,000 and above	2.75	2.20	2.75			
Issues 1 & 2						
With effect from 1 February 2013	2.35	1.96	2.35			
Issues 1 & 2						
With effect from 1 August 2013	1.60	1.28	1.60			
Cash ISA – 30 day notice (Including Cash ISA 60 day notice)	1.85	Tax Free	1.85			
Child Trust Fund	5.00	Tax Free	5.00			
With effect from 1 February 2013	2.50	Tax Free	2.50			
Bank of England Base Rate						
5 March 09	0.50%					

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.

NO MARKETING OPTION

We like to keep you informed from time to time of the services and products we have available from the Society and the subsidiaries within its Group (we do not share your details with anyone else for this purpose). If however you would prefer not to receive such marketing material you can opt-out of doing so. Just ring us on 01782 255000 to let us know.