

# Business Review & Summary Financial Statement

for the year ended 31 August 2014



Finest 2014 Awards for Collaborative  
Partnership and Outstanding Contribution  
to Professional Services



[www.thehanley.co.uk](http://www.thehanley.co.uk)

# Chief Executive's Strategic Business Review for the year ended 31 August 2014

---



## Overview

As a mutual, run for the benefit of members, we are constantly balancing the needs of savers and borrowers, whilst seeking to invest in the business and retain sufficient annual profits to bolster our capital base. I am delighted to report that this year The Hanley has achieved precisely that balancing act. Our assets are now £361m, an increase of 7.25% from a year ago and our membership has grown by more than any year since before the 2008/2009 financial crisis. Combined with an uplift in profit (pre-tax, pre Financial Services Compensation Scheme levy) of 144.03% to £1.10m, this gives The Hanley the ability to reinvest in the Society and strengthen our capital and reserves so that we remain well equipped to handle future uncertainty in our core markets. Conditions in the UK economy and consumer confidence improved in 2014 but we are still cautious about the immediate future. Falling unemployment and rising Gross Domestic Product (GDP) are reasons for optimism but this has to be tempered with some unease about the likely impact of future increases in the Bank of England base rate (BBR). The historically low BBR of 0.5% has been the defining characteristic of UK financial markets for over five years and indications that rates will rise in the next 12 months will offer welcome respite to savers, but may stretch affordability for some borrowers and cause the housing market to falter if rises occur too steeply. Additionally, the housing market has benefited from government interventions such as the Funding for Lending Scheme (FLS) and various Help to Buy initiatives as well as the Quantitative Easing programme, so the unwinding of such stimuli should make us hesitate before predicting any inevitable upward trajectory in the fortunes of the UK economy.

However, coping with the vagaries of a dynamic housing market has been the hallmark of the traditional building society model, and this year The Hanley's financial results exemplify that resilience. Simplicity is not a characteristic normally associated with financial services firms, as opaque products and bewildering marketing often overshadow the true ethos of a business, but in a mutual building society the purpose is clear, to attract retail savings from customers and make loans to homebuyers whilst ensuring strong capital and liquidity positions. By growing our retail balances, increasing the number of savers, growing our mortgage balances and increasing the level of new advances, whilst uplifting our retained surplus (our only source of capital), The Hanley has achieved impressive financial results by behaving exactly as a local, independent, mutual building society should behave. By doing so our reputation continues to flourish and the impact on our heartland territory extends beyond that of a successful business and leads to prestigious accolades such as the 2014 Finest award for Partnership Collaboration in recognition of our work with Ormiston Horizon Academy, a local school with whom we have been working for some time.

Finally, an overview of our financial performance in the year would be incomplete without a comment on the Financial Services Compensation Scheme. The FSCS continues to



*Human Resources Manager  
Cris Hammond and Chief  
Executive David Webster  
with The Hanley's two  
Finest 2014 awards*

---

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

*Visit our website at [www.thehanley.co.uk](http://www.thehanley.co.uk)*

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

make a significant negative impact on The Hanley, as a result of the failures of Bradford & Bingley Plc and certain Icelandic banks in 2008. The Society's contribution to FSCS increased to £215,000 in 2014 and in total we have paid £848,000 to FSCS over the past five years. Whilst the security of savers' funds is of paramount importance to The Hanley, your Board continues to regard the share of costs borne by us as a small building society, to be disproportionate and punitive.

### Mortgages

As our core purpose is to lend on residential property by raising funds from retail savers, it is very pleasing to report an impressive rise in mortgage lending this year with gross mortgage advances up by 39% to £65m (2013: £47m). This is testimony to our continued commitment to bespoke mortgage advice via our branch-based mortgage advisers and our flourishing reputation in the mortgage intermediary market. Such a twin-pronged approach to distributing our mortgage products can only gain forward momentum if our service proposition is robust, and in the current market our approach to tailored underwriting has been central to our success. The Hanley has for several years taken full responsibility for assessing mortgage affordability on a case-by-case basis, so this dimension of the Financial Conduct Authority's Mortgage Market Review (MMR) was not a difficult transition for us and we remain very supportive of the aims of the MMR, notably in its encouragement of qualified professionals as the primary source of mortgage advice. Our net lending (excluding capital payments) also increased this year to £33.7m from £23.7m last year, an increase of 42.19%. This is a commendable result, underpinned by our success in retaining over 80% of borrowers reaching the end of a fixed term product.

The plight of first time buyers with a modest deposit continues to feature in the national media but we were able to help provide mortgages to 85 such borrowers this year. Clearly the supply-side weaknesses in the UK housing market are deep rooted and are due mainly to the shortfall in new housing being built, a problem which won't be resolved quickly. Nevertheless it is gratifying for us to play a part in helping aspiring home owners, as The Hanley has always done.

We pride ourselves in being nimble and adaptable enough to succeed in different market niches. This is well illustrated by our consistent success in self-build lending. This year we assisted 41 new borrowers through our pioneering self-build mortgage product in partnership with Buildstore, the experts in this increasingly important market segment.

However, whether it is lending to first-time buyers or to self-builders, The Hanley adopts a cautious, prudent and measured policy, always acknowledging that it is our members' money we are lending, so there is no scope for speculative lending or taking unnecessary risks. Such a responsible approach to mortgage lending has served the Society well and at the end of our financial year only 11 cases were 3 months or more in arrears. This represents just 0.43% of our total number of mortgages (2013: 10 cases 0.46%), less than half the average in our industry. We have just 3 cases of mortgage arrears exceeding 12 months (2013: 2) and our aggregate arrears balances are now £42,762 (2013: £65,000). These figures show that a prudent approach to lending over a sustained period has guarded The Hanley against extravagant personal debt which has damaged other lenders.

“ An impressive rise in mortgage lending is testimony to our continued commitment to bespoke advice. ”

*Our mortgages have continued to help first time buyers and were recognised in the Moneyfacts 2014 Awards.*



# Chief Executive's Strategic Business Review *continued*

“We are mindful of our responsibilities to savers and we remain committed to offering long-term value.”

## Savings

The compression of savings rates in the UK has been a consequence of the prolonged period of low BBR, extensive Quantitative Easing measures and the introduction of the FLS, which furnished some lenders with an attractive and cheaper funding source than the retail market. Savings products which match the prevailing rate of inflation are rare, and so savers have seen the real value of their savings tumble in recent years. At The Hanley we are mindful of our responsibilities to savers and we remain committed to offering long-term value by providing competitive but sustainable interest rates across a broad range of products.

This year I am delighted to report a substantial increase of £32m in our savings balances, a rise of 12% to £310m (2013: £278m). Clearly The Hanley is regarded as a safe and secure place for savings deposits and this is further exemplified by the fact that we retained 86% of savings balances in maturing fixed rate bonds during the year (2013: 86%). Member feedback during these bond maturities tells us that the transparent and helpful way we outline their options and the personal service they receive, is a powerful reason for their decisions to reinvest funds, alongside their belief that The Hanley offers competitive interest rates without any gimmicks such as introductory bonus rates.

Our savings product range was enhanced 18 months ago by the launch of our DMH Saver account in partnership with our chosen charity, the Douglas Macmillan Hospice and balances grew by £14,636 (2013: £2,512), an achievement of which our staff and members are rightly proud.

## Our Members, Our Community and Our People

Having lived and worked in North Staffordshire for over a decade, I can authoritatively claim that The Hanley punches above its weight in our local community. Our reputation as a local business with a resounding local heartbeat is well established, not just because of our 160 year old history, but also because of the impact we make on the contemporary environment we serve. Moreover, as a mutual, having an intent to put something tangible back into our local community is part of our DNA. Clearly the single, most potent contribution The Hanley can make to our local community is to thrive as a local business. The financial results this year demonstrate that we are achieving that goal. However our aim is to go further than that:

- we believe in engaging with local members so we:
  - a) aim to have the highest AGM voting turnout in the building society sector and we have done so again this year (22.15% of members voted at our AGM);
  - b) hold quarterly Customer Forum meetings hosted by myself or our Deputy Chief Executive, Steve Jones, so that members can talk informally about the progress of their Society;
  - c) increased the number of new members to the Society by 2,215 this year.



*As part of our support and mentoring partnership with Ormiston Horizon Academy, students packed goodie bags and acted as stewards for the Potters 'Arf marathon, sponsored by The Hanley.*

- we believe in connecting with our local community so we:
  - a) Sponsored the Potters 'Arf marathon for the seventh consecutive year and achieved the highest ever number of race entrants raising over £15,000 for DMH;
  - b) Sponsored local junior sports teams such as Porthill Cricket Club and Newcastle Town FC;
  - c) Linked with Ormiston Horizon Academy in the "business class" initiative offering mentoring and support to the school in a structured programme;
  - d) Encourage our staff to play an active role in supporting a wide variety of local good causes.
- we believe in setting the highest standards of professionalism and service for all our staff so we:
  - a) grow our own talent by recruiting five local apprentices this year as we did last year, thereby offering a genuine career path to local youngsters choosing to enter workplace as they leave school;
  - b) articulate our expectations of all our people by insisting that we all adopt the Hanley's Active Behaviours, designed to deliver outstanding service to our members.

“ Having an intent to put something tangible back into our local community is part of our DNA. ”



In addition to our DMH Saver account, support for the Douglas Macmillan Hospice



included a 'Bring a pound to work' appeal (above), and donating old uniforms (right).

The Hanley is 160 years old this year and so is mature enough to contend with the challenges of the modern business world, but the Society is also rooted in values which carry a contemporary resonance. In many ways such values as trust, integrity and excellence have never been more relevant to our members and those are brought to life by our outstanding staff, whose hard work and commitment continue to mould The Hanley as a distinctive modern mutual.

David Webster  
Chief Executive  
21 October 2014

# Your Board

---



**Edward Jenner**, aged 59, 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.



**Philip Dearing**, age 64, joined the Board as a Non-Executive Director five years ago and has served as a member of the Audit, Risk & Compliance Committee, Remuneration Committee and as a Director of our two subsidiary companies, Hanley Financial Services Ltd and Hanley Mortgage Services Ltd.

Philip will take over as Chairman of the Board after October 2014, bringing a spectrum of experience including roles within The Hanley as well as his wider commercial experience in the retail financial services sector and as a Board member of two other mutual-ethos firms.



**Fionnuala Earley**, aged 50, joined 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.



**Andrew Macdonald**, age 59, was co-opted to the Board as a Non-Executive Director in September 2014. He is to be Chairman of the Audit, Risk and Compliance Committee, and a member of the Assets and Liabilities Committee.

Andrew has spent his career as a specialist in Treasury and Asset and Liability Risk Management in the building society sector. He was Group Treasurer for the Skipton Building Society and Group Head of Asset and Liability Management of the Nationwide Building Society. He was made a Fellow of the Association of Corporate Treasurers in acknowledgement of his contribution to Financial risk management in the Building Society sector.

Andrew is married, with three children and five grandchildren and enjoys golf and skiing in his leisure time.



**John Wood**, age 58, was appointed to the Board as a Non-Executive Director in April 2008. He is currently a member of the Society's Audit, Risk and Compliance Committee having previously served as Chairman. From October 2014 he will also become Chairman of the Remuneration 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 is a supporter of the local voluntary sector and is an Independent Board member of Brighter Futures. He enjoys running and this year again ran in the Potters 'Arf Marathon sponsored by The Hanley.



**Steven Jones**, age 51, was appointed Finance Director in May 2004 and Deputy Chief Executive in June 2012. He is a member of the Assets & Liabilities Committee, 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.



**David Webster**, age 55, 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 is a former Chairman of the Building Societies Association, a role to which he was elected on two occasions, 2010 and 2012.

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 2014

---

## 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:

	2014	2013
<b>Non-Executive Directors:</b>	£000	£000
E. V. Jenner (Chairman)	34	33
Lord Stafford (Vice-Chairman)	23	22
P. R. Dearing	21	21
F. B. Earley	19	–
A. Henshaw	–	18
J. H. Wood	22	22
	<u>119</u>	<u>116</u>

### Executive Directors:

	Salary	Bonus	Benefits	Sub-total	Pension Contribution	Total
	£000	£000	£000	£000	£000	£000
2014						
D. Webster	179	–	13	192	27	219
S. Jones	90	–	6	96	11	107
	<u>269</u>	<u>–</u>	<u>19</u>	<u>288</u>	<u>38</u>	<u>326</u>
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>

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

Philip Dearing  
Chair of the Remuneration Committee  
21 October 2014

# Summary Financial Statement for the year ended 31 August 2014

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 7 November 2014, or can be downloaded from the Society's website [www.thehanley.co.uk](http://www.thehanley.co.uk)

Approved by the Board of Directors on 21 October 2014 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

	2014	2013
	£000	£000
Net Interest receivable	4,952	3,827
Other income and charges	(51)	75
Administrative expenses	(3,798)	(3,450)
Provisions for bad and doubtful debts	–	–
Profit before FSCS levy	<u>1,103</u>	<u>452</u>
Provision for FSCS levy	(215)	(168)
Profit for the year before taxation	<u>888</u>	<u>284</u>
Taxation	(228)	(81)
Profit for the year	<u><u>660</u></u>	<u><u>203</u></u>

## Financial Position at end of year

### Assets

Liquid assets	79,712	79,190
Mortgages	277,923	254,024
Fixed and other assets	3,806	3,796
<b>Total Assets</b>	<u><u>361,441</u></u>	<u><u>337,010</u></u>

### Liabilities

Shares	280,713	259,432
Borrowings	50,087	47,856
Other liabilities	1,182	923
Reserves	29,459	28,799
<b>Total Liabilities</b>	<u><u>361,441</u></u>	<u><u>337,010</u></u>

## Summary of Key Financial Ratios

	2014	2013
Gross capital as a percentage of shares and borrowings	8.91%	9.37%
Liquid assets as a percentage of shares and borrowings	24.10%	25.77%
Profit for the year as a percentage of mean total assets	0.19%	0.06%
Management expenses as a percentage of mean total assets	1.09%	1.03%
Cost/income	77.49%	88.42%

---

## 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 Strategic 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 2014 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*

21 October 2014

# 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%	%
<b>Instant Access</b>							
(Including Hi-Rate Deposit, Notice 28 and DMH Saver)							
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				
<b>Notice Accounts</b>							
<b>Notice 30</b>							
(Including Growth Bonds, Monthly Income Bonds and Postal 30)							
<b>Annual Interest</b>							
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				
<b>Monthly Interest</b>							
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				
<b>Notice 90 (formerly Postal 90)</b>							
<b>Annual Interest</b>							
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				
<b>Monthly Interest</b>							
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				
<b>Tax Free Savings</b>							
<b>Cash ISA – Instant access</b>							
Balance £3,000 and above	1.55	Tax Free	1.55				
With effect from 1 July 2014	1.35	Tax Free	1.35				
Balance less than £3,000	0.95	Tax Free	0.95				
With effect from 1 July 2014	0.75	Tax Free	0.75				
<b>Cash ISA – Regular Saver</b>							
	1.70	Tax Free	1.70				
<b>Children's Savings</b>							
<b>Young Saver</b>							
	1.35	1.08	1.35				
<b>Junior ISA</b>							
	2.50	Tax Free	2.50				
<b>Regular Savings</b>							
<b>Branch Regular Saver</b>							
	1.60	1.28	1.60				
<b>Tracker Savings</b>							
<b>Branch Saver</b>							
	0.50	0.40	0.50				
<b>Homebuyer Savings</b>							
<b>Home Deposit Saver</b>							
	3.25	2.60	3.25				
<b>Closed Issues</b>							
<b>Corporate Saver</b>							
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				
<b>Regular Saver</b>							
	1.95	1.56	1.95				
<b>Postal 180 Day Notice</b>							
Issues 1 & 2							
	1.60	1.28	1.60				
<b>Cash ISA – 60 day notice</b>							
	1.85	Tax Free	1.85				
<b>Cash ISA – 30 day notice</b>							
With effect from 1 July 2014	1.50	Tax Free	1.50				
<b>Child Trust Fund</b>							
	2.50	Tax Free	2.50				
<b>Bank of England Base Rate</b>							
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](http://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.