# Business Review & Summary Financial Statement

## for the year ended 31 August 2015

www.thehanley.co.uk

# Chief Executive's Strategic Business Review
## for the year ended 31 August 2015

### Overview

I am delighted to report The Hanley's results for the financial year ended 31 August 2015 which emphatically underline our resilience and progress as a mutually owned building society.

The Hanley continues to thrive despite the headwinds of uncertainty and dysfunctionality in the UK economy, demonstrating that a small, local building society can be sufficiently nimble and adroit to contend with market conditions which remain very challenging. Even the most astute commentator would have struggled to predict back in March 2009 that 6½ years later in August 2015 the bank base rate (BBR) would still be set at 0.5% with a Consumer Price Index (CPI) for UK inflation of zero, but these are the defining foreground characteristics of the intricate tapestry of current market conditions.

Notwithstanding these macro-economic complexities the inherent simplicity of our building society model has proven its worth demonstrating unchanging principles in a changing world. For over 160 years The Hanley's focus has been to lend on residential property by raising funds from retail customers, optimising (rather than maximising) our annual profits to bolster our capital position and doing so in a manner which members find open, honest and transparent. In the era of "challenger banks" the building society has been the true competitor for the big banks since the recession of 2008/09. Mutual ownership has helped us look to the longer term, with no zealous desire for short term reward and no need to over-promise and under-deliver, as has prevailed in these "too big to fail" banks where sheer scale is impressive but where a failure to treat customers as individuals has been far less admirable.


*Glenn Dimelow, Director of Best Companies Ltd, presents The Sunday Times 100 Best Small Companies award to The Hanley's Chief Executive David Webster.*

The Hanley is committed to our status as a local, independent mutual with a strong capital base, a cautious approach to residential lending, reliance on our members for savings funds and an established franchise in our heartland territory. Our business strategy is intentionally simple and straightforward, but that does not mean it is easy to deliver. Our financial results for this year are very encouraging and show that a strategy which relies on the calibre of our people and the quality of our service can be distinctive and successful.

Our total assets grew by 3.46% to £374m, an uplift of over £12.5m year on year, and this was achieved whilst reducing our costs, as the ratio of management expenses to assets fell to 1.05%. Moreover, our annual profit level (pre tax, pre Financial Services Compensation Scheme levy) rose by 8.61% to £1.20m endorsing our diligent approach to margin management and enabling us to increase reserves to £30.2m and sustain our position of relative strength of capital to assets among building society peers (8.83%).

It has become customary in my annual review to refer to the Financial Services Compensation Scheme (FSCS) so that members can appreciate fully the impact of the FSCS on their Society. The Hanley continues to contribute to the significant cost of the FSCS intervention at the peak of the financial crisis to bail out several failed firms in our industry, notably Bradford & Bingley Plc. The FSCS borrowed many billions from the government to meet its liabilities and agreed a schedule of repayments to HM Treasury, levying the industry to do so. The FSCS levy for The Hanley this year was £177,000 which means that our total contribution to date has been £1.025m. The Hanley Board regard this substantial cost as disproportionate given the nature of our business model, but we acknowledge that the security of savers' funds is of supreme importance.

> “We did not wish to participate in a race to the bottom on mortgage product rates, nor take more risk on mortgage cases we would accept.”

### Mortgages

Lending on residential property is at the core of our business, so at first glance a lower level of mortgage advances this year, £55.7m compared to £65m the previous year, may seem a disappointing outcome. However a number of factors contribute to this outcome and all reflect favourably on The Hanley. The mortgage market was increasingly competitive in 2015 but we did not wish to participate in a race to the bottom on mortgage product rates, nor did we have any intention to uplift our risk appetite on the mortgage cases we would accept. Consequently we settled on a level of new lending which is the right quality for our risk appetite. Our direct lending via our branches and mortgage advisers actually increased this year, but the volume of business from mortgage intermediaries was down, so our underwriting of new business based on affordability on a case-by-case basis was never compromised. We continued to assist first time buyers with a modest deposit and we provided mortgages to 87 such customers this year (2014: 85) and our lending to borrowers seeking to build their own homes rose by 43% this year demonstrating the continued strength of The Hanley in this important market segment.

**Hanley in the running for national mortgage award**

THE HANLEY Economic Building Society is hoping to go one better this year by winning a national competition to find the best lenders in the business.

The Hanley is one of the finalists in the annual awards run by consumer website Moneyfacts, in the category for Best First Time Mortgage Provider.

It came second highly commended last year and is hoping to lift the overall title this time.

David Lownds, The Hanley's head of operations senior manager at its Festival Park head office, said he was hoping for the best outcome but said it would be a tough task, given the quality of

mortgage deals and excellent mortgage advice from a trusted lender are the key ingredients in our success.

"The First Time Mortgage Provider category is one of the most competitive and we are competing against a number of large lenders including NatWest, Woolwich and Santander.

"To be recognised alongside these large banks shows that your local mutual building society really is an alternative to the large banks."

And he said that, despite the impending General Election the housing market was still strong.

"In terms of the mortgage market we have seen an increase in mortgage applications month on month

David Lownds of the Hanley Economic Building Society

*For the second year running The Hanley was a finalist for the Moneyfacts award for Best First Time Mortgage Provider.*

Members can take great assurance from our sustained cautious and prudent lending policy in which we never forget that it is our members' money we are lending, so there is no scope for speculative lending or risky ventures. Evidence of our prudence is encapsulated in the lowest mortgage arrears figures in The Hanley's long history with only 9 cases of arrears of 3 months or more representing just 0.36% of our total number of mortgages (2014: 11 cases, 0.43%) and only 1 case of over 12 months arrears (2014: 3). Our total arrears have been reduced to £36,318 (2014: £42,762) as a result of prudent lending in the first place and our empathetic but consistent approach to arrears management by our skilled and qualified customer service staff.

"Despite the low interest rate environment, savers still value the personal service and the security we provide."

### Savings

The fierce competition in the mortgage market, which I referred to previously, has contributed to a compression of interest rates available to savers in the UK. At The Hanley we will do all we can to protect savers and to offer competitive rates, but we cannot ignore prevailing market rates otherwise we would attract volumes of funds which could imbalance our business and disrupt our standards of service. Despite the low interest rate environment, savers still value the personal service and the security we provide, so it is very pleasing to report an increase in retail balances of £8m (2.95%) this year (2014: £32m, 12%). Similarly, we continue to retain customers who invested in fixed rate bonds with The Hanley as 86% of savers chose to reinvest their funds with us at the end of their bond maturity (2014: 86%). Member feedback to our staff during the process of a bond maturity informs us that the transparent and helpful way in which we outline the options and deliver a personal service is a very compelling reason for a decision to stay with us rather than invest elsewhere.

Uniformly, positive member feedback has been received regarding our DMH Saver Account which we launched in 2013 in partnership with our chosen charity partner, the Douglas Macmillan Hospice, and this year we opened 153 new DMH Saver accounts, increasing the account balance by £1.25m and enabling a donation of £22,000 to be made to the hospice (2014: £14,636).

### Our Community and Our People

As a mutual we are owned by our members, we are answerable to them and we are very eager to engage with them in a meaningful way. The most tangible method of engagement is to create and sustain a culture of open, honest and understandable communication and dialogue, where we



*During the year The Hanley marked both our 160th anniversary and the tenth anniversary of our Stone branch where customers joined us to celebrate (above).*

treat our members fairly and with care, so that they become advocates of The Hanley. The connection between The Hanley staff and our members is absolutely pivotal to our success. We believe if we treat our staff well, develop their skills, train them to be the best they can be, then the relationship with members will flourish and our ambitions to achieve excellence in customer service will be attainable. At a time when many banks seem determined to de-skill their front line staff and diminish their influence, we take the contrary view and choose to invest in our people so that they can distinguish themselves compared to our competitors.

> “The connection between The Hanley staff and our members is absolutely pivotal to our success.”

In 2015 we received the most profound endorsement of our business culture when we were included in the Sunday Times Top 100 Best Small Companies to Work For, and this accolade stands out as a towering achievement amongst all of the awards we have won in recent years. We are the only building society in this exclusive list of small firms and it is a badge of honour that we are extremely proud of, not least because it binds together our culture and our external reputation so that we can be confident of sustainable success in the future because the foundations of this 161 year old mutual are built to the most exacting contemporary standards.

*Lauren Ainsworth and Nicola Wilson of Customer Services with a specialised board game used by work experience students and apprentices.*

The outlook for The Hanley remains favourable. We can expect cost pressures and regulatory demands to intensify as new prudential regulations emerge, notably on the treatment of capital and liquidity. Our objective will be to contend with such fresh challenges in the knowledge that our current financial strength gives us ample scope to adapt our thinking and to calibrate our requirements so that our business strategy of measured growth in assets and in profits remains fairly intact.

David Webster
Chief Executive & Secretary
20 October 2015

*Our continuing relationship with Ormiston Horizon Academy saw the academy set up its own branch (left), and Year 10 students came to the Society on work placement (right). Students assisted with the Potters ’Arf Marathon, sponsored by The Hanley (below), and raised funds for the Douglas Macmillan Hospice by running the ‘Killer Mile’ event (below right).*

# Your Board

Philip Dearing, age 65, was appointed to the Board as a Non-Executive Director in October 2009 and became Chairman of the Board in October 2014. Philip has worked in the retail financial services sector for over thirty years and brings helpful experience and a pragmatic, mature approach to his role at The Hanley.

Philip is also a Non-Executive Director for a health & social care provider and a regional Housing Association.

Fionnuala Earley, age 51, joined the Board as a Non-Executive Director on 1 September 2013 and is a member of the Assets & 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 60, was appointed to the Board as a Non-Executive Director in September 2014. He took over the Chair of the Audit & Compliance Committee in November 2014, and is a member of the Assets & 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 six grandchildren and enjoys golf and skiing in his leisure time.

Veronica Oak, age 53 was co-opted to the Board as a Non-Executive Director in March 2015 and is a member of the Remuneration and Nominations Committees.

Veronica's career has been within the financial services industry having previously been Marketing Director for a life company and a reinsurer, Director of a trade body and worked for over 30 years as an independent marketing and business development consultant. She has been a Non-Executive Director for another mutual, Family Investments and is currently on the Board of Chesnara plc and its subsidiary, Countrywide Assured.

John Wood, age 58, was appointed to the Board as a Non-Executive Director in April 2008. He is currently Chairman of the Remuneration Committee and a member of the Society's Audit & Compliance Committee having previously served as Chairman.

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 52, was appointed Finance Director in May 2004 and Deputy Chief Executive in June 2012. He is a member of the Assets & Liabilities Committee and sits on the Treasury, Credit and Product Development Management 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 Governor of Newcastle-under-Lyme College.

David Webster, age 56, has been Chief Executive at The Hanley since April 2002 and is Chairman of the Society's Assets & Liabilities Committee. 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 and is a keen golfer.

# Summary Directors' Remuneration Report
## for the year ended 31 August 2015

### 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 role and position of individuals including professional experience, responsibilities, job complexity and market conditions. Basic salary is reviewed annually.

   The Society does not operate any form of bonus or incentive scheme.

b) **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.

c) **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 & Secretary 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 employment contracts but serve under service contracts following election by the Society's membership.

The Remuneration Committee agreed the Directors' remuneration as follows:

| | 2015 | *2014* |
|---|---|---|
| **Non-Executive Directors:** | £000 | *£000* |
| P. R. Dearing (Chairman) | 33 | *21* |
| Lord Stafford (to 31.8.2014) | – | *23* |
| F. B. Earley | 20 | 19 |
| E. V. Jenner (to 31.10.2014) | 6 | *34* |
| A. S. Macdonald (from 1.9.2014) | 26 | – |
| V. Oak (from 1.3.2015) | 10 | – |
| J. H. Wood | 20 | *22* |
| | *115* | *119* |

**Executive Directors:**

| | Salary | Benefits | Sub-total | Pension Contribution | Total |
|---|---|---|---|---|---|
| 2015 | £000 | £000 | £000 | £000 | £000 |
| D. Webster | 184 | 15 | 199 | 28 | 227 |
| S. Jones | 95 | 6 | 101 | 12 | 113 |
| | 279 | 21 | 300 | 40 | 340 |
| 2014 | £000 | £000 | £000 | £000 | £000 |
| D. Webster | 179 | 13 | 192 | 27 | 219 |
| S. Jones | 90 | 6 | 96 | 11 | 107 |
| | 269 | 19 | 288 | 38 | 326 |

J. H. Wood
Chair of the Remuneration Committee
20 October 2015

# Summary Financial Statement
## for the year ended 31 August 2015

This financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on demand at every office of Hanley Economic Building Society from 6 November 2015, or can be downloaded from the Society's website www.thehanley.co.uk

Approved by the Board of Directors on 20 October 2015 and signed on its behalf by:

P. R. Dearing, *Chairman* D. Webster, *Chief Executive & Secretary* 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

| | 2015 | *2014* |
|---|---|---|
| | £000 | *£000* |
| Net Interest receivable | 5,262 | *4,952* |
| Other income and charges | (211) | *(51)* |
| Administrative expenses | (3,853) | *(3,798)* |
| Provisions for bad and doubtful debts | – | – |
| Profit before FSCS levy | 1,198 | 1,103 |
| Provision for liabilities - FSCS levy | (180) | (215) |
| Profit for the year before taxation | 1,018 | *888* |
| Taxation | (228) | *(228)* |
| Profit for the year | 790 | *660* |

### Financial Position at end of year

| | | |
|---|---|---|
| **Assets** | | |
| Liquid assets | 83,711 | *79,712* |
| Mortgages | 286,717 | *277,923* |
| Fixed and other assets | 3 ,521 | *3,806* |
| **Total Assets** | 373,949 | *361,441* |
| **Liabilities** | | |
| Shares | 288,711 | *280,713* |
| Borrowings | 53,731 | *50,087* |
| Other liabilities | 1,258 | *1,182* |
| Reserves | 30,249 | *29,459* |
| **Total Liabilities** | 373,949 | *361,441* |

### Summary of Key Financial Ratios

| | 2015 | *2014* |
|---|---|---|
| Gross capital as a percentage of shares and borrowings | 8.83% | *8.91%* |
| Liquid assets as a percentage of shares and borrowings | 24.45% | *24.10%* |
| Profit for the year as a percentage of mean total assets | 0.21% | *0.19%* |
| Management expenses as a percentage of mean total assets | 1.05% | *1.09%* |
| Cost/income | 76.28% | *77.49%* |

# 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 on the Summary Financial Statement to the members 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 the Building Societies Act 1986.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement with the full Annual Accounts, the Annual Business Statement and the Directors' Report and its compliance with the relevant requirements of Section 76 of the Building Societies Act 1986 and the 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 Summary Directors' Remuneration Report.

This statement, including the opinion, has been prepared for and only for the Society's members 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

Our examination involved agreeing the balances in the Summary Financial Statement to the full Annual Accounts. Our report on the Group and Society's full Annual Accounts describes the basis of our audit opinion on those Annual Accounts.

### Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of The Hanley Economic Building Society for the year ended 31 August 2015 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made under it.

PricewaterhouseCoopers LLP
*Chartered Accountants and Statutory Auditors*
*Manchester*

20 October 2015

# 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) 20% | Annual Equivalent Rate % |
|---|---|---|---|
| **Instant Access** | | | |
| (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 |
| **Notice Accounts** | | | |
| **Notice 30** | | | |
| (Including Growth Bonds, Monthly Income Bonds and Postal 30) | | | |
| **Annual and 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 |
| **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 |

| | Gross (Contractual or gross rate) % | Net (Illustrative only based upon the applicable rate of income tax) 20% | Annual Equivalent Rate % |
|---|---|---|---|
| **Tracker Savings** | | | |
| **Branch Saver** | 0.50 | 0.40 | 0.50 |
| **Homebuyer Savings** | | | |
| **Home Deposit Saver** | 3.25 | 2.60 | 3.25 |
| **Tax Free Savings** | | | |
| **Cash ISA – Instant access** | | | |
| Balance £3,000 and above | 1.35 | Tax Free | 1.35 |
| With effect from 1 Jan 2015 | 1.20 | Tax Free | 1.20 |
| Balance less than £3,000 | 0.75 | Tax Free | 0.75 |
| With effect from 1 Jan 2015 | 0.60 | Tax Free | 0.60 |
| **Cash ISA – Regular Saver** | 1.70 | Tax Free | 1.70 |
| **Corporate Savings** | | | |
| **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 |
| With effect from 1 June 2015 | | | |
| Balance £100,000 and above | 1.00 | 0.80 | 1.00 |
| Balance £50,000 – £99,999.99 | 0.70 | 0.56 | 0.70 |
| Balance less than £50,000 | 0.60 | 0.48 | 0.60 |
| **Closed Issues** | | | |
| **Regular Saver** | 1.95 | 1.56 | 1.95 |
| **Postal 180 Day Notice** | | | |
| Issues 1 & 2 | 1.60 | 1.28 | 1.60 |
| **Cash ISA – 60 day notice** | 1.85 | Tax Free | 1.85 |
| With effect from 1 Jan 2015 | 1.60 | Tax Free | 1.60 |
| **Cash ISA – 30 day notice** | 1.50 | Tax Free | 1.50 |
| With effect from 1 Jan 2015 | 1.35 | Tax Free | 1.35 |
| **Child Trust Fund** | 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.

Your eligible deposits held at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance, you hold eligible deposits in a savings account with £70,000 and a current account with £20,000, you will only be repaid £75,000 (or £85,000 for most depositors until 31 December 2015).

From 3 July 2015 until 31 December 2015, the FSCS protects most depositors, including individuals and small companies, up to £85,000 until 31 December 2015. Eligible deposits of large companies and small local authorities are eligible for FSCS protection from 3 July 2015 onwards. The £75,000 deposit protection limit will apply from 3 July 2015 since these deposits have not previously been protected. From 1 January 2016, the FSCS will protect most eligible deposits up to a total of £75,000. Any deposits you hold above the limit are unlikely to be covered.

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.