Business Review & Summary Financial Statement

for the year ended 31 August 2016

THE SUNDAY TIMES 100 BEST SMALL COMPANIES TO WORK FOR 2016

THE HANLEY ECONOMIC Building Society

www.thehanley.co.uk

Chairman's Statement

The 2015-16 financial year was one of continued prudent asset growth and satisfactory financial results for The Hanley despite considerable upheaval in the domestic economic and political landscape following the June 2016 Referendum result.

The period pre-June 23rd 2016 was characterised by a continuation of a Bank Base Rate of 0.50%, low inflation, steady Gross Domestic Product (GDP) figures and low unemployment. The Referendum vote to leave the European Union has led to a period of relative uncertainty, including upward pressure on inflation, a decrease in the value of sterling against other major currencies, and importantly the decision taken by the Bank of England to reduce Bank Base Rate to 0.25%. This move and other stimulus measures, including a further package of Quantitative Easing and the Term Funding Scheme, have all been introduced to help thwart the potential of a marked downturn in the UK economy. These actions have inevitably had consequences for your Society, including a decrease in earnings on liquidity holdings, lower mortgage rates and, regrettably, reductions in savings rates offered to members. The outlook for the next 12 months remains unpredictable, but your Society is well prepared for the economic uncertainties that lie ahead, continuing to build upon a sound financial base, controlled expenses and achieving further risk-averse sustainable asset growth.

Of equal note to the financial performance is the range of non-financial indicators. Since the last year-end the Society has welcomed over 1,900 new members to The Hanley. I am also delighted to report that The Hanley has again featured in The Sunday Times 'Best 100 Small Companies To Work For' list. Support for the local Ormiston Horizon Academy continues to benefit the local community as does sponsoring the Potters 'Arf Marathon for the ninth consecutive year. These activities, along with a contribution of £37,000 to the Douglas Macmillan Hospice (DMH) as a result of balances held in our 500 DMH Saver accounts, show that modern mutuality is thriving and is an effective business model to compete with commercial firms whose principal aim is to promote returns only to shareholders.

The Hanley's £37,000 support for the Douglas Macmillan Hospice included staff donations (above), and was recognised with the Platinum Award 2016 presented by Hospice Chairman Ted Turner (left) to Business Development Manager Rob Hassall.

Business Development Manager Rob Hassall (right) receives the Moneyfacts Highly Commended award in the Best First Time Buyer Mortgage Provider category from comedian Russell Kane.

Human Resources Manager Cris Hammond (left) and Customer Services Manager Nicola Wilson with the Employer of the Year award presented at Newcastle under Lyme College Celebration Awards 2016.

This last year has also seen the departure of two valued Board colleagues, and the arrival of a new Non-Executive Director. First, our Chief Executive, David Webster, who after 14 years at The Hanley has moved on to become Chief Executive of the local Douglas Macmillan Hospice, a cause which the Society has supported in so many ways across many years. David has, with his unique leadership style, guided The Hanley team through a transformational period, including embedding a culture of service excellence through the values which permeate the organisation from Board colleagues to our apprentices, modernising and opening new branch facilities and steering the Society through the economic crisis in the period post 2008. Second, John Wood has retired after serving on the Board for 8 years. John has fulfilled a variety of Committee roles and has been a first class ambassador for The Hanley in the wider community. The Board will miss their wise counsel and we wish them both every success in the future.

"Your Society is well prepared for the economic uncertainties that lie ahead, continuing to build on a sound financial base."

The Board has been joined by a new colleague, Simon Woodings, a former Managing Partner at a local law firm, Beswicks. Simon is looking forward to meeting members in the coming months and at the Annual General Meeting in December.

No report from the Board would be complete without conveying our appreciation of the contribution of The Hanley's team members and business partners. They have worked hard to ensure that the service provided is personal and professional, features recognised by many of the awards and accolades the Society has received during the year.

Finally, and arguably most important of all, sincere thanks must go to you the members of the Society who have invested, borrowed, taken advice and shown such loyal support – we try never to forget it is you we are in business for and it is you our long term strategy is framed around.

Philip Dearing
Chairman
21 October 2016

Sports sponsorships have included support for young athlete Jack Pickin (right) and the Leek Hockey Club U16 boys team (below).

The Hanley sponsored the Potters 'Arf Marathon for the ninth year (right) and played an active part in organising the event (above).

Your Board

Philip Dearing, age 66, joined the Board as a Non-Executive Director in October 2009 and was appointed Chairman in October 2014. Philip has enjoyed a career in the retail financial services sector, and in Building Societies particularly. He is also a Non-Executive Director of a large regional social housing provider.

Fionnuala Earley, age 52, joined the Board as a Non-Executive Director on 1 September 2013. Fionnuala Chairs the Board Risk Committee and is a member of the Audit & Compliance Committee.

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

Andrew Macdonald, age 61, 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.

He began his career in branch banking as a clerk in Barclays Bank in the early 1970s and became a specialist in Treasury and Asset & Liability Risk Management. He was the Group Treasurer of the Skipton Building Society and Group Head of Asset & 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.

Veronica Oak, age 54, joined the Board as a Non-Executive Director in March 2015 and Chairs the Remuneration Committee.

Veronica's career has been within the financial services industry having previously been Marketing Director for a life company and a reinsurer, and spent 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 and two companies within the Sanlam Group in the UK. She recently rejoined the board of a trade body which serves the interests of life assurance and investment firms.

Simon Woodings, age 49, joined the Board as a Non-Executive Director in April 2016 and is a member of the Assets & Liabilities Committee.

Simon spent his career in a Stoke-on-Trent based law firm as a corporate/commercial lawyer becoming senior partner until joining his family's fire protection engineering business in October 2015. Simon remains a consultant to his previous law firm Beswicks Legal. Simon lives near Stone and is married with two children.

Steven Jones, age 53, was appointed Finance Director in May 2004, Deputy Chief Executive in June 2012 and Group Secretary in 2016. He is Chair of the Assets & Liabilities Committee and attends the Audit & Compliance Committee as well as the Treasury, Credit and Product Development Management Committees.

Outside of the Society, Steven is an independent Board Member and Chair of Audit at Wulvern Housing Ltd and a Governor of Newcastle-under-Lyme College.

Steven, who lives locally, is married and has two daughters. He is a Fellow of the Institute of Chartered Accountants with a strong background in the financial services sector and is committed to The Hanley's continued success as a mutual building society within Staffordshire.

Summary Directors' Report and Strategic Business Review for the year ended 31 August 2016

Accounting standards changes

The Society's annual accounts have been prepared for the first time under a new accounting framework. The Board has chosen to adopt FRS102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and IAS39 (Financial Instruments: Recognition and Measurement) with an effective transition date of 1 September 2014. The 2015 comparatives have been accordingly restated.

Review of the year and key performance indicators

The Directors are satisfied with the Group's performance, summarised as one of sustained growth in both savings and mortgages, together with a positive contribution to the Group's capital base.

Key Performance Indicators	2016	2015	2014*	2013*
Total assets	£378m	£368m	£361m	£337m
Mortgage lending	£65m	£56m	£65m	£47m
Growth in mortgage assets	4.17%	3.36%	9.41%	6.18%
Savings balances	£311m	£289m	£281m	£259m
Management expenses as % of total assets	1.10%	1.06%	1.09%	1.03%
Profit on ordinary activities before tax	£1.1m	£1.0m	£0.9m	£0.3m
Net profit	£0.7m	£0.8m	£0.7m	£0.2m
Profit as a % of total assets	0.19%	0.22%	0.19%	0.06%
Gross capital	7.12%	7.10%	8.91%	9.37%
Free capital	6.35%	6.26%	7.98%	8.33%

*Stated under UK GAAP and have not been restated on transition to FRS102.

Total assets

The total assets of the Group at the end of the financial year amounted to £378.2m (2015: £368.3m), an increase of £9.9m or 2.67% on the previous year. This has been achieved as a result of significant inflows of retail savings used to fund mortgage lending during the year.

Liquid assets

By maintaining sufficient liquidity the Society can ensure that it meets its liabilities as they fall due. The liquid assets comprising cash, bank balances and authorised investments amounted to £82.3m (2015: £83.7m), representing 23.39% (2015: 24.44%) of total shares and deposit liabilities.

Total liquidity includes £35.6m deposited with the Bank of England's Reserve Account and £2m in respect of Treasury Bills. All of these investments are highly liquid and qualify towards the Society's liquidity buffer which was significantly in excess of its minimum regulatory requirement.

Mortgage balances

During 2016 we continued to grow our mortgage lending with £65.5m of advances. Overall total mortgage balances increased by £11.6m, a 4.17% increase on 2015. Redemptions due during the year were £42.2m (2015: £36.5m), including £0.6m (2015: £0.8m) within our subsidiary company Hanley Mortgage Services Limited.

Shares

Share balances at 31 August 2016 were £311.0m (2015: £288.7m), an increase of £22.3m (7.72%) on the previous year. This strengthening of our savings base particularly in a period of low interests rates, demonstrates our competitive pricing in the market both for new and existing members.

Group net profit and reserves

An appropriate level of profit is required to re-invest in the business and to maintain the capital required to satisfy regulatory requirements and to protect investors. Profit after tax and total comprehensive income for the year amounted to £0.7m (2015: £0.8m) and represents a ratio of 0.19% of mean total assets. The profit after taxation has been added to the General Reserve which after adjustments for the impact of FRS102 stands at £25.0m (2015: £24.3m).

Capital

Gross capital is defined as general reserves as shown in the Group's balance sheet, and free capital as the aggregate of gross capital and general loss provisions less tangible fixed assets. The Directors ensure that a satisfactory level of capital is maintained to protect the Society against adverse market movements or changes in economic conditions.

At the year end the ratio of gross capital as a percentage of total share and deposit liabilities was 7.12% (2015: 7.10%) and free capital was 6.35% (2015: 6.26%). The Core Tier 1 ratio (unaudited) stood at 15.47% (2015: 15.11%) and the Leverage ratio (unaudited) stood at 6.30% (2015: 5.92%). Tier 1 Capital was £23.9m (2015: £22.9m) and Tier 2 Capital £0.2m (2015: £0.2m), providing total Capital resources of £24.1m (2015: £23.1m.).

The Board complies with the Basel IV Capital Requirements Directive (CRD) which requires the Society to assess the adequacy of its capital strength through an Internal Capital Adequacy Assessment Process (ICAAP). Through the ICAAP the Board is satisfied that the Society holds a level of capital more than sufficient to satisfy the CRD's Pillar 1 minimum capital requirements and to cover the ratios identified in Pillar 2. The Pillar 3 disclosures required by the CRD can be found on the Society's website, www.thehanley.co.uk.

Management expenses ratio

The ratio expresses administrative expenses and depreciation as a percentage of average total assets. The Society continues to review management expenses and endeavours to contain expenditure, but the increasing cost of regulation, together with our investment in both IT and risk infrastructures, and the additional costs of the Society's transition to FRS102, has resulted in a modest increase in the overall ratio to 1.10% (2015: 1.06%).

Mortgage arrears and impaired cases

(a) At 31 August 2016 there were no cases (2015: 1) in which the borrowers were 12 months or more in arrears. In certain circumstances the Society uses forbearance measures to assist those borrowers who are experiencing financial difficulty. In each case an individual assessment is made to ensure forbearance is in the best interests of both the borrower and the Society. It is expected that the borrowers will resume normal payments once they are able. As at 31 August 2016, there were 5 cases (2015: 10) under forbearance measures with total balances of £0.28m (2015: £0.89m) and arrears totalling £3,944 (2015: £6,859). The Board assesses the impact of forbearance measures regularly and considers that if there is a possibility of loss, a provision is made in accordance with the Society's policies.

(b) Included in loans secured on residential property are a total of 13 cases (2015: 15), with a balance outstanding of £13.5m (2015: £13.9m), all of which are either in possession or under management by a Law of Property Act Receiver. Although these cases have experienced previous financial difficulty, each has now been let thereby protecting the fabric of the buildings over which the Society has a charge, as well as generating an income stream which exceeds current funding costs. As at 31 August 2016 total specific impairment provisions of £3.5m (2015: £3.7m) are held against these exposures.

c) In respect of the portfolio of residential development loans at 31 August 2016, 3 properties (2015: 3) were either in possession or under management by a Law of Property Act Receiver, with a capital balance outstanding of £4.9m (2015: £4.9m). As at 31 August 2016 total specific impairment provisions of £4.1m (2015: £4.3m) are held against these exposures.

Business outlook

The Group's business strategy remains that of balancing the needs of savers and borrowers, retaining our focus on capital strength and continuing to invest in infrastructure, products and member services. As we enter our 2017 financial year the Board is mindful of the challenges faced, in particular UK economic uncertainty, compressed interest rates and margin erosion, increased regulatory compliance and ever competitive markets for both retail savings and mortgages. Against this backdrop the Board expects a conservative level of growth for the year ahead in mortgages, savings, capital and Society membership.

Executives and staff

The Society maintains an open recruitment and staff development policy, affording equal opportunities regardless of age, gender, race, religion or disability. Staff communication and training continue to remain priorities for the Society.

The Board wish to record their thanks to the staff for the vital contribution they continue to make. Adapting to new methods of operating, particularly using new systems and software is not always easy, but doing so is essential in the rapidly changing financial services marketplace in which the Society competes. The support, co-operation and flexibility of the staff is essential to the ongoing success of The Hanley.

Summary Directors’ Remuneration Report
for the year ended 31 August 2016

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.

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 currently 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 performances of both the Chief Executive and the Deputy Chief Executive, Finance Director & Group Secretary are 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 using external data for other comparable building societies, and by a performance review process undertaken by the Society's Board Chairman. The Chairman's performance review is conducted by the Senior Independent Director and his remuneration 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 service contracts following election by the Society's membership.

In determining remuneration the Committee considers the guidance provided by the Corporate Governance Code and applies the FCA Remuneration Code.

The Remuneration Committee agreed the Directors' remuneration as follows:

	2016	*2015*
Non-Executive Directors:	£000	*£000*
P. R. Dearing (Chairman)	43	*33*
F. B. Earley	21	20
E. V. Jenner (to 31.10.2014)	–	*6*
A. S. Macdonald	27	26
V. Oak	21	10
J. H. Wood (to 30.4.2016)	13	*20*
S Woodings (from 1.4.2016)	9	–
	134	*115*

Executive Directors:

	Salary	Benefits	Sub-total	Pension Contribution	Total
2016	£000	£000	£000	£000	£000
D. Webster (to 31.8.2016)	189	11	200	28	228
S. Jones	105	7	112	13	125
	294	18	312	41	353
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

Veronica Oak
Chair of the Remuneration Committee
21 October 2016

Summary Financial Statement
for the year ended 31 August 2016

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 2 November 2016, or can be downloaded from the Society's website www.thehanley.co.uk

Approved by the Board of Directors on 21 October 2016 and signed on its behalf by:

P. R. Dearing, *Chairman* A. S. Macdonald, *Vice Chairman* 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 6 to 7.

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

	2016	*2015*
	£000	*£000*
Net Interest receivable	4,921	*4,849*
Other income and charges	82	*83*
Administrative expenses	(4,115)	*(3,853)*
Release on impairments	245	*141*
Profit before FSCS levy	1,133	*1,220*
Provision for liabilities – FSCS levy	(75)	*(180)*
Profit for the year before taxation	1,058	*1,040*
Taxation	(362)	*(232)*
Profit for the year	696	*808*

Financial Position at end of year

Assets		
Liquid assets	82,271	*83,678*
Mortgages	291,211	*279,562*
Derivative financial instruments	–	*10*
Fixed and other assets	4,685	*5,085*
Total Assets	378,167	*368,335*
Liabilities		
Shares	311,013	*288,711*
Borrowings	40,718	*53,731*
Derivative financial instruments	569	*288*
Other liabilities	835	*1,301*
Reserves	25,032	*24,304*
Total Liabilities	378,167	*368,335*

Summary of Key Financial Ratios

	2016	*2015*
Gross capital as a percentage of shares and borrowings	7.12%	*7.10%*
Liquid assets as a percentage of shares and borrowings	23.39%	*24.44%*
Profit for the year as a percentage of mean total assets	0.19%	*0.22%*
Management expenses as a percentage of mean total assets	1.10%	*1.06%*

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.

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 Hanley Economic Building Society (the ‘Society’) set out on pages 10 to 11, which comprises the results for the year, the financial position as at 31 August 2016 and the summary of key financial ratios.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the 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 Strategic Business Review and 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 Chairman’s Statement, Summary Directors’ Report and the 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 Society’s full Annual Accounts describes the basis of our audit opinion on those Annual Accounts and Annual Business Statement and the Directors’ Report.

Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of Hanley Economic Building Society for the year ended 31 August 2016 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 21 October 2016

Interest Rates paid during the year

	Gross Contractual or gross rate %	Annual Equivalent Rate %
Instant Access		
(Including Hi-Rate Deposit, Notice 28 and DMH Saver)		
Balance £100,000 and above	0.35	0.35
Balance £50,000 – £99,999.99	0.25	0.25
Balance £25,000 – £49,999.99	0.20	0.20
Balance £10,000 – £24,999.99	0.15	0.15
Balance £100 – £9,999.99	0.10	0.10
Balance less than £100	0.05	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	1.00
Balance £100,000 – £199,999.99	0.90	0.90
Balance £50,000 – £99,999.99	0.75	0.75
Balance £25,000 – £49,999.99	0.60	0.60
Balance £10,000 – £24,999.99	0.45	0.45
Balance less than £10,000	0.30	0.30
Notice 90 (formerly Postal 90)		
Annual Interest		
Balance £100,000 and above	1.35	1.35
Balance £50,000 – £99,999.99	1.05	1.05
Balance £25,000 – £49,999.99	0.95	0.95
Balance less than £25,000	0.75	0.75
Monthly Interest		
Balance £100,000 and above	1.34	1.35
Balance £50,000 – £99,999.99	1.05	1.05
Balance £25,000 – £49,999.99	0.95	0.95
Balance less than £25,000	0.75	0.75
Children's Savings		
Young Saver	1.35	1.35
Junior ISA	2.50	2.50

	Gross Contractual or gross rate %	Annual Equivalent Rate %
Regular Savings		
Branch Regular Saver	1.60	1.60
Tracker Savings		
Branch Saver	0.50	0.50
Homebuyer Savings		
Home Deposit Saver	3.25	3.25
Tax Free Savings		
Cash ISA – Instant access		
Balance £3,000 and above	1.20	1.20
Balance less than £3,000	0.60	0.60
Cash ISA – Regular Saver	1.70	1.70
Corporate Savings		
Corporate Saver		
Balance £100,000 and above	1.00	1.00
Balance £50,000 – £99,999.99	0.70	0.70
Balance less than £50,000	0.60	0.60
Closed Issues		
Regular Saver	1.95	1.95
With effect from 1 June 2016	1.65	1.65
Postal 180 Day Notice		
Issues 1 & 2	1.60	1.60
Cash ISA – 60 day notice	1.60	1.60
Cash ISA – 30 day notice	1.35	1.35
Child Trust Fund	2.50	2.50

Bank of England Base Rate	
5 March 2009	0.50%
With effect from 4 August 2016	0.25%

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.

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.

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

Visit our website at www.thehanley.co.uk