Hanley Economic Building Society

Business Review & Summary Financial Statement

for the year ended 31 August 2019

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

Chief Executive's Business Review

Another Record Breaking Year

The team and I are pleased to be reporting another record breaking year – the third in a row. Given that the Hanley Economic Building Society was formed in 1854 to help working people buy and own their own homes – we have been able to achieve that goal this year on an unprecedented level. Mortgage advances were more than £96m - £4.5m more than last year – which was itself an all-time record.

We have been able to help more customers than ever with their mortgages. On average, we approve applications for 9 out of 10 first time buyers – a critical point in people's lives when they are trying to start climbing the property ladder. Something we all acknowledge is getting harder and harder for younger people to achieve.

We also continued to grow savings through two rate rises last year for every saver and the launch of a range of fixed rate savings bonds that have proved very popular with local customers.

	2019 (£'000)	2018 (£'000)	2017 (£'000)	Movement %
Operating profit	855	1,475	1,477	(42.03)
Profit after tax	700	1,201	1,135	(41.72)
Liquidity	87,028	94,316	96,469	(7.73)
Mortgage balances	355,974	327,504	302,760	8.69
Retail savings	375,086	343,478	333,591	9.20
Reserves	28,056	27,341	26,158	2.62

The market has been very tough this year. Economic and political uncertainty has combined with major regulatory changes (the big lenders have been forced to 'ring fence' their retail banks) meaning that margins have been significantly reduced across our key markets. As a relatively small, regional lender, Hanley Economic cannot buck market pricing and the lower risk sectors of the market where we tend to lend have been heavily affected by price competition.

This means that despite extraordinary performance by the team, profit has been affected this year, particularly as we have chosen to put an amount aside to ensure the strength of the Society's capital base is maintained against the potential challenges of an uncertain economic climate. We regularly apply stress tests to our finances and they show the business can withstand even the most severe of economic shocks from the range considered, in respect of both capital and liquidity resources.

Mortgages

Mortgage lending is critical to our success. This year we have achieved extraordinary levels of lending helping more customers with their homes than ever before. Mortgage assets have grown by more than 8%. Over the last few years we have concentrated on the lower risk elements of the lending market and this has been successful. Recent changes in regulation and a slower housing market has reduced the value of these aspects of the market. To offset this reduction in value we have developed other areas of the business – most notably self-build and shared ownership mortgages. We have significant experience in these products and they offer a sustainable opportunity for the mid-term future.

Savings

Savings balances have grown by 9.20% in the last twelve months. We believe that by raising rates for every savings customer twice in 2018 this has helped support further growth in new customers and balances in 2019. In February 2019 we also began the launch of a range of fixed term savings bonds specifically for local customers. The rates on these products were designed to be highly competitive in our area and the high level of take-up of accounts suggests we were successful.

Given this strength in liquidity the Board have decided to return £10m of the £25 million in Term Funding we received from the Bank of England in 2018. The remaining £15m will be repaid over the next 24 months.

Customer, Colleagues and Community

Customers

This year we have been developing products specifically aimed at our current, local customers. A new range of fixed term bonds has attracted current and new customers from around Stoke and North Staffordshire. We targeted the marketing through The Sentinel and other local papers. We believe the rates on these accounts were the best available on our high streets.

During the financial year the Society also widened its mortgage product portfolio with the introduction of Retirement Interest Only (‘RIO’) mortgages. We believe that age should not be a barrier to gaining a mortgage and with the help of a RIO mortgage a borrower could utilise equity in their property to help family members get onto the property ladder, carry out home improvements or aid retirement living. Developing innovative products like RIO will help to provide the Society with sustainable lending throughout the years ahead.

Great Service

As a mutually-owned business, our customers are our owners. Therefore providing great service has an even higher priority than potentially for other organisations. Reviews from our own customers via ‘Smart Money Online’ have shown our service to have improved over the last year and also to be consistently ahead of financial services and Building Societies generally. We know there is more we can do to improve – which gives us great confidence for the future.

Colleagues

The Board and the Leadership Team were proud to have been adjudged to be one of the top 100 small businesses to work for in the UK - via the Sunday Times Best Companies survey. We had scored highly last year but increased again this year. Our aim is to continually improve Hanley as a place to work through valuing, training and respecting our colleagues. Having won the Staffordshire Chamber of Commerce ‘Employer of the Year’ in 2018, we were delighted to have been shortlisted again for 2019.

Local Talent

The Board and I remain committed to ensuring that the Society is one of the best places to work in the region. Against this objective, we were delighted to appoint Larne Payne (née Barlow) to the role of Finance Director in June 2019. Larne is from Newcastle-under-Lyme and has worked for the Society for seven years. Larne’s application for the role was compared to applicants across the UK and we were delighted that local, home grown talent was the best candidate for the role.

Community

In 2018 we extended our support of local charities to include Alice, Arch, YMCA as well as the Dougie Mac. We launched a new Charity Saver Account supporting all four organisations. We have also increased the time we support our staff volunteering for Charities locally to four days. This means that we will pay for every member of staff to work for up to four days volunteering with no impact on their own holidays or workload. We are pleased to report our donation of £34,385 to the Dougie Mac. This contribution is made up of our legacy DMH Saver accounts together with the new Local Charity Saver account. Since 1995, the Hanley Economic has donated over £185k to the Dougie Mac.

Outlook

The Board’s primary objective must always be the strength and safety of the Building Society and our responsibility to our members. We also have a strong commitment to creating long term value for our colleagues and our community. Economic and political uncertainty is likely to continue as will the compression of margin for savings and mortgage providers. Financial Markets currently appear to expect interest rates to remain low or even reduce.

The Society has achieved record breaking financial results over the last three years and is therefore well placed to withstand challenges in the market. Our focus in the immediate future is to modernise our core systems and processes. We have strengthened the commercial performance of the business, we now need to ensure we have a modern and efficient foundation on which to build an even more successful future. Therefore 2020 and 2021 will likely see less focus on growing assets and profit with more attention on sustaining a strong business while we deliver an internal transformation program for the future.

“Despite the challenging circumstances, the Society remains very strong in terms of its capital base and liquidity.”

Mark Selby
Chief Executive
13 November 2019

Your Board

Nick Jordan

Nick was appointed to the Board as Chairman in May 2018. Nick is an Oxford graduate and has over 35 years' experience in the Financial Services sector in a wide variety of leadership positions both executive and non-executive, including as a Chief Risk Officer and Chief Credit Officer at a major domestic UK bank. He holds a small number of other non-executive board directorships and is Deputy Chair of Governors at Latymer Upper School. Nick is married and has two children now in their twenties.

Andrew Macdonald

Andrew Macdonald was appointed as a Non-Executive Director in September 2014. Andrew is Chair of the Audit & Compliance Committee and a member of the Assets & Liabilities Committee. He began his career in branch banking with Barclays in the late 1970's and became a specialist in Treasury and Asset & Liability Risk Management. He later worked for Halifax, Skipton and Nationwide Building Societies, again in Treasury and Asset & Liability management roles, and was as a consequence made a Fellow of the Association of Corporate Treasurers in recognition of his work in this important area.

Veronica Oak

Veronica Oak was appointed to the Board as a Non-Executive Director in March 2015 and Chairs the Risk 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 20 years as an independent marketing and business development consultant. She has been a Non-Executive Director for another mutual, Family Investments (now OneFamily) and is currently on the Boards of Sanlam Investment Holdings UK, Chesnara plc and its subsidiary, Countrywide Assured. She is also on the board of a trade body which serves the interests of life assurance and investment firms.

Simon Woodings

Simon Woodings was appointed to the Board as a Non-Executive Director in April 2016 and is chair of the Remuneration Committee and a member of the Audit and Compliance 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 lives in Staffordshire and is married with two children.

Mark Selby
Mark was appointed in November 2016 and has previously been Chief Operating Officer for Virgin Money, Abbey National/Santander and an insurance broker. Before Joining Abbey National he completed a Master's degree at Cranfield School of Management and also has a first degree in Politics and Law. Mark is married and has two teenage sons.

Bob Young
Bob Young was appointed to the Board in May 2017. Bob is a member of both the Assets and Liabilities Committee and the Audit and Compliance Committee.
Bob spent his career as an Insolvency and Turnaround Practitioner, for the last 20 years in Stoke-on-Trent, initially as the local Director of PwC and later as Senior Partner of the Stoke office of Begbies Traynor. Bob then became a founder member of Currie Young Ltd from which he has now retired. Bob lives in Caverswall and is married with 4 children and 6 grandchildren.

Larne Payne
Larne Payne was appointed as Finance Director and co-opted to the Board in July 2019. Larne is a member of both the Nominations Committee and the Assets and Liabilities Committee, with a view to taking over as Chair of the latter in the new financial year.
Larne, who lives locally, is a qualified accountant and joined the Society in 2012 as Financial Controller, advancing to Head of Finance in 2017 with the last twelve months spent as Interim Finance Director on the departure of the preceding Steven Jones.

Summary Directors' Report and Strategic Business Review for the year ended 31 August 2019

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	2019	2018	2017
Total Assets (£'000)	446,974	426,276	403,591
Asset Growth (%)	4.86%	5.62%	6.72%
New Mortgage Lending (£'000)	96,132	91,768	69,677
Mortgage Growth (%)	8.69%	8.17%	3.97%
Retail Shares Balance net increase / (decrease) (£m)	31,608	9,887	22,578
Total Retail Shares and Deposit Growth (%)	8.29%	2.40%	5.85%
Gross Capital (% of shares and deposit liabilities)	6.72%	6.87%	6.95%
Free Capital (% of shares and deposit liabilities)	6.12%	6.23%	6.26%
Liquid Assets (% of shares and deposit liabilities)	20.86%	23.69%	25.63%
Post-tax profit (£'000)	700	1,201	1,135
Management Expenses (% of mean total assets)	1.15%	1.08%	1.10%

Total assets

The total assets of the Group at the end of the financial year amounted to £447.0m (2018: £426.3m), an increase of £20.7m or 4.86% on the previous year. This was achieved by solid growth in mortgage balances funded through £31.61m of retail shares and incorporates a £10.00m early repayment of the Society's drawdown from Bank of England under its Term Funding Scheme (TFS).

Mortgage lending and overall mortgage balances

During 2019 we continued to grow our mortgage lending with £96.13m of advances. Overall total mortgage balances increased by £28.5m, an 8.69% increase on 2018. Redemptions during the year were £54.2m (2018: £54.3m).

Retail shares

Retail shares at 31 August 2019 were £375.1m (2018: £343.5m), an increase of £31.6m (9.20%) on the previous year. The strengthening of our savings base particularly in a period of low interest rates, demonstrates our competitive pricing in the market both for new and existing Members.

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 £87.03m (2018: £94.3m), representing 20.86% (2018: 23.69%) of total shares and deposit liabilities.

Total liquidity includes £59.04m deposited with the Bank of England's Reserve Account and £3.00m 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.

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 (2018: £1.2m) and represents a ratio of 0.16% of mean total assets. The profit after taxation has been added to the General Reserve which stands at £28.1m (2018: £27.4m).

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. Overall the management expenses ratio has increased to 1.15% (2018: 1.08%).

Gross and free 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 collective loan 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 6.72% (2018: 6.87%) and free capital was 6.12% (2018: 6.23%). The Core Tier 1 ratio (unaudited) stood at 16.74% (2018: 17.48%) and the Leverage ratio (unaudited) stood at 6.04% (2018: 6.16%). Tier 1 Capital was £27.3m (2018: £26.5m) and Tier 2 Capital £0.1m (2018: £0.2m), providing total Capital resources of £27.4m (2018: £26.7m).

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 additional identified Pillar 2 capital to mitigate the principal risks to which the Society is exposed. The Board approves the ICAAP on an annual basis, and it is reviewed by the Prudential Regulation Authority (PRA) in setting the Society's capital requirements as Total Capital Requirement (TCR). Regulatory Capital held by the Society at the Statement of Financial Position date was £18.8m, well in excess of that required by the regulator.

Further details of the Society's approach to risk management can be found in the Society's Pillar 3 disclosures required by the CRD on the Society's website, www.thehanley.co.uk.

Mortgage arrears and impaired cases
(a) At 31 August 2019 there were no cases (2018: 2) where 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 2019, there were 5 cases (2018: 10) under forbearance measures with total balances of £0.7m (2018: £1.0m) and arrears totalling £8k (2018: £1k). 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 10 cases (2018: 11), with a balance outstanding of £13.9m (2018: £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. As at 31 August 2019 total specific impairment provisions of £5.1m (2018: £4.4m) are held against these exposures.
c) The Society no longer has an exposure to residential development loans (2018:1). Therefore the capital balance outstanding is £nil (2018 : £0.8m), with no specific imapirment provision (2018: £0.7m).

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 their commitment, support, co-operation and flexibility which is so essential to the ongoing success of Hanley Economic and for the benefit of the communities in which we operate.

N. M. Jordan, Chairman
13 November 2019

Summary Directors’ Remuneration Report

for the year ended 31 August 2019

Directors’ Remuneration

The purpose of this report is to inform Members of Hanley Economic about our policy on the remuneration of Executive and Non-Executive Directors. This Policy is reviewed annually by the Board.

The Remuneration Committee

The Committee is responsible for the remuneration policy for all Executive Directors of the Society, Senior Managers and the Chairman of the Society. It makes recommendations to the Board regarding remuneration and contractual arrangements. In reviewing remuneration, the Committee has regard to both the supervisory statement issued by the Prudential Regulation Authority and the Financial Conduct Authority relating to remuneration and the UK Corporate Governance Code. The Committee meets at least twice a year. In making its decisions it considers comparative remuneration packages and reviews supporting evidence, including taking external professional advice where appropriate.

Policy for Executive Directors and Senior Team members

The Board’s policy is to set remuneration levels which will attract and retain high calibre Executive Directors and Senior Team members, and to encourage excellent performance through rewards directly linked to the achievement of Hanley Economic’s strategic objectives. The main components of 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.

b) Pensions – which involves Hanley Economic contributing to the personal pension arrangements of its Executive Directors. The Society does not have a Defined Benefit/Final Salary pension scheme.

c) Incentive Schemes – which take into account performance of the Society over a range of areas reflecting the mutual status of the Society and importantly, not purely its financial performance. Further benefits under this scheme are paid over a period of years and are subject to non-payment if performance deteriorates.

d) Other Benefits – include the provision of a car allowance to each Executive Director and Senior Team member, private medical insurance, income protection and a concessionary mortgage rate on loans up to £500,000.

All benefits are reviewed annually by the Remuneration Committee paying particular regard to the type of behaviours they may promote.

Executive Directors have contractual notice periods of up to 6 months and so any termination payment would not exceed 6 months’ salary and accrued benefits.

The individual performances of the Executive Board members 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 benchmarking data for other comparable Building Societies, and by a performance review process undertaken by the Society's Chairman. The level of remuneration for non-executive Board members is set by the Chairman and the Chief Executive.

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 or incentive schemes for Non-Executive Directors and they do not qualify for pension entitlement or other benefits. Non-Executive Directors do receive as part of their remuneration a travel allowance for travel to meetings at head office and may claim expenses in accordance with the Society's prevailing expenses policy.

The Remuneration Committee agreed the Directors' remuneration as follows:

	2019	2018
Non-Executive Directors:	£000	£000
P. R. Dearing (Chairman to 31.3.2018)	-	23
N. M. Jordan (Chairman from 1.5.2018)	40	13
F. B. Earley (to 31.12.2017)	-	8
A. S. Macdonald	29	32
V. Oak	26	25
S. Woodings	26	25
R. M. Young	26	25
	147	151

Executive Directors:

	Salary	Benefits	Sub-total	Pension Contribution	Sub-total
2019	£000	£000	£000	£000	£000
M. E. Selby	200	38	238	25	263
L. Payne (from 18.6.2019)	19	3	22	2	24
	219	41	260	27	287
2018	£000	£000	£000	£000	£000
M. E. Selby	182	29	211	23	234
S. Jones (to 28.5.2018)	83	12	95	10	105
	265	41	306	33	339

S. Woodings
Chair of the Remuneration Committee
13 November 2019

Summary Financial Statement

for the year ended 31 August 2019

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 request at every office of the Hanley Economic Building Society from 20 November 2019, or can be downloaded from the Society's website www.thehanley.co.uk.

Approved by the Board of Directors on 13 November 2019 and signed on its behalf by:

N. M. Jordan, Chairman M. E. Selby, Chief Executive and Group Secretary, L. Payne, 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.

Group Results for the year	2019	2018
	£000	£000
Net Interest receivable	5,987	5,481
Other income and charges	56	216
Administrative expenses	(5,036)	(4,472)
Provision for bad debt	(154)	136
Profit before FSCS levy	853	1,361
Provision for liabilities – FSCS levy	2	114
Profit for the year before taxation	855	1,475
Taxation	(155)	(274)
Profit for the year	700	1,201

Financial Position at end of year

Assets		
Liquid assets	87,028	94,316
Mortgages	355,974	327,504
Derivative financial instruments	3	204
Fixed and other assets	3,969	4,252
Total Assets	446,974	426,276
Liabilities		
Shares	375,086	343,478
Borrowings	42,118	54,673
Derivative financial instruments	736	31
Other liabilities	978	753
Reserves	28,056	27,341
Total Liabilities	446,974	426,276

Summary of Key Financial Ratios	2019	2018
Gross capital as a percentage of shares and borrowings	6.72%	6.87%
Liquid assets as a percentage of shares and borrowings	20.86%	23.69%
Profit for the year as a percentage of mean total assets	0.16%	0.29%
Management expenses as a percentage of mean total assets	1.15%	1.08%

Key Financial Ratios

The Key Financial Ratios have been prepared from the Group's accounts and in particular:

Gross capital as a percentage of shares and borrowings

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 as a percentage of shares and borrowings
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 for the year as a percentage of mean total assets
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 as a percentage of mean total assets
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 auditor's statement to the Members and depositors of Hanley Economic Building Society

Opinion
We have examined the summary financial statement of Hanley Economic Building Society ('the Society') for the year ended 31 August 2019 set out on pages 10 to 11.

On the basis of the work performed, as described below, in our opinion the summary financial statement is consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 August 2019 and conforms with the applicable requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

Basis of Opinion
Our examination of the summary financial statement consisted primarily of:

- Agreeing the amounts and disclosures included in the summary financial statement to the corresponding items within the full annual accounts, Annual Business Statement and Directors' Report of the Society for the year ended 31 August 2019, including consideration of whether, in our opinion, the information in the summary financial statement has been summarised in a manner which is not consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for that year;
- Checking that the format and content of the summary financial statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 August 2019.

We also read the other information contained in the Business Review and Summary Financial Statement and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

Our report on the Society's full annual accounts describes the basis of our opinions on those annual accounts, the Annual Business Statement and Directors' Report.

Directors' responsibilities
The directors are responsible for preparing the summary financial statement within the Business Review and Summary Financial Statement, in accordance with applicable United Kingdom law.

Auditor's responsibilities
Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Business Review and Summary Financial Statement with the full annual accounts, Annual Business Statement and Directors' Report and its conformity with the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

The purpose of our work and to whom we owe our responsibilities
This auditor's statement is made solely to the society's members, as a body, and to the society's depositors, as a body, in accordance with section 76 of the Building Societies Act 1986. Our work has been undertaken so that we might state to the society's members and depositors those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body and the society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

Matthew Rowell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor, Chartered Accountants
One Snowhill, Snow Hill Queensway
Birmingham B4 6GH

13 November 2019

Savings Interest Rates as at 31 August 2019

Instant Access/ Local Charity Saver	Gross Contractual or gross rate %	Annual Equivalent Rate %	Previous Rate %
Balance £100,000 and above	0.55	0.55	0.40
Balance £50,000 – £99,999.99	0.45	0.45	0.30
Balance £25,000 – £49,999.99	0.40	0.40	0.25
Balance £10,000 – £24,999.99	0.35	0.35	0.20
Balance £100 – £9,999.99	0.30	0.30	0.15
Balance less than £100	0.26	0.26	0.11
Notice Accounts			
Notice 30			
Annual and Monthly Interest			
Balance £200,000 and above	0.85	0.85	0.70
Balance £100,000 – £199,999.99	0.75	0.75	0.60
Balance £50,000 – £99,999.99	0.60	0.60	0.45
Balance £25,000 – £49,999.99	0.45	0.45	0.30
Balance £10,000 – £24,999.99	0.40	0.40	0.25
Balance less than £10,000	0.35	0.35	0.20
Notice 90			
Annual and Monthly Interest			
Balance £100,000 and above	1.20	1.20	1.05
Balance £50,000 – £99,999.99	0.90	0.90	0.75
Balance £25,000 – £49,999.99	0.80	0.80	0.65
Balance less than £25,000	0.60	0.60	0.45
Tax Free Savings			
Cash ISA – Instant access			
Balance £3,000 and above	0.90	0.90	0.80
Balance less than £3,000	0.30	0.30	0.20
Cash ISA – Regular Saver	1.40	1.40	1.30

Children's Savings	Gross Contractual or gross rate %	Annual Equivalent Rate %	Previous Rate %
Young Saver	1.20	1.20	1.05
Junior ISA	2.20	2.20	2.10
Regular Savings			
Branch Regular Saver	1.25	1.25	1.10
Coporate Savings			
Corporate Saver			
Balance £100,000 and above	0.60	0.60	0.45
Balance £50,000 – £99,999.99	0.40	0.40	0.25
Balance less than £50,000	0.35	0.35	0.20
Corporate Tracker Issue 4			
Balance £10,000 and above	1.17˜	1.17	1.25
Tracker Savings			
Branch Saver	0.75	0.75	0.50
Homebuyer Savings			
Home Deposit Saver	3.10	3.10	2.95
Closed Issues			
Cash ISA – 30 day notice	0.95	0.95	0.85
Cash ISA – 60 day notice	1.15	1.15	1.05
Child Trust Fund	2.20	2.20	2.10
DMH Saver	0.26	0.26	0.11
Corporate Tracker – Issue 2	1.77*	1.77	1.85
Monthly Income Saver	1.30	1.30	1.15
Michelin Regular Saver	1.70	1.70	1.55
Postal 180 Day Notice	1.30	1.30	1.15
Postal 180 Day Notice – Issue 2	1.30	1.30	1.15
Regular Saver	1.30	1.30	1.15

* Guaranteed to pay 1.00% above the 3 month LIBOR rate (1 July 2019).

Any future changes to the terms and conditions including interest rates of our savings accounts will be published on our website at thehanley.co.uk, be available in our branches and via our telephone helpline.

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 £85,000.

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