



## More members, mortgages, savings, charitable support... the positive story continues

I am pleased to report that despite the economic turmoil that currently exists, your Society continues to enjoy key successes and planned growth.

In this edition you will see that our financial accounts for 2010 once again show how we have strengthened our already robust finances. In particular our prudent financing means that we continue to avoid holding any year end wholesale funding.

I would like to welcome on board our 1,500 new members following the opening of three new branches in Buckingham, Tring and Wendover. These new members have deposited an additional £12 million with your Society. Additionally, our Premier Business Account has now grown to £22 million held in accounts. Through this account we are able to help local businesses, trusts and charities maximise their returns on cash balances.

I am also pleased to report that the number of well thought through mortgage applications continues to increase and in March this year we had a record month of gross lending for the Society.

I would like to thank those members who voted in the recent AGM. Member engagement and feedback is vital and these results place HBS in the 'top 10' of all UK building societies for member participation.

Last, but by no means least, our financial success has meant that we have been able to increase our charitable and sponsorship support to the local community. This remains an important part of your Society's ethos and this support will further expand as your Society grows.

Yours sincerely

**Paul Marsden**  
DIRECTOR & CHIEF EXECUTIVE



## Another successful year

By Carl Astley FINANCE DIRECTOR

Whilst both the European and wider global financial markets continue to suffer from issues with stability, I am pleased to report that HBS continues to strengthen its already robust finances. In 2010 our net assets rose by 12.4%, our capital and reserves by 13.0% and our liquid assets by 40.4%. In conjunction with this mortgage lending rose by 4.5% and once again we held no wholesale funding at the 2010 year end.

Our HBS model has proven year on year that our secure and stable savings accounts offer a haven in these uncertain financial times.

For a copy of the 2010 Summary Financial Statement please call us on 01582 765411 or visit our website at [www.harpendenbs.co.uk](http://www.harpendenbs.co.uk) and download a copy.



## Internet access for all members

By Lousia Lingwood  
IT MANAGER

I am happy to announce that from early 2012, members will be able to register for access to basic account information, via the internet.

This will include checking balances, transferring between Society Accounts and withdrawing money to a single nominated bank account.

More information will be provided on our website, [www.harpendenbs.co.uk](http://www.harpendenbs.co.uk), in early 2012. This is just the first step for us and we are very excited to be able to offer you this online option.





# Savings to suit our younger members

By Phil Bannister HEAD OF OPERATIONS & INVESTMENTS

Over 30% of our members are aged between birth and 21 and we offer a wide range of competitive savings options to suit their varying needs. A key part of this is our latest account, the HBS 'Junior Cash ISA' which we will be launching in November 2011.

## New HBS Junior Cash ISA

Our junior members can from November invest in a HBS Junior Cash ISA. Available to our young members up to the age of 18, it will allow them to invest up to £3,600 in the current tax year. You will only need £1 to open an account and can make deposits up to the annual limit at any point throughout the tax year. For full details visit our website at [www.harpendenbs.co.uk](http://www.harpendenbs.co.uk)

this award is currently no longer available from Moneyfacts, we still believe that this account offers one of the best solutions in helping children save towards reaching their all important 18th birthday. High rates of interest are maintained on savings, which can be invested either as a gift from relatives or directly by the child, and a useful lump sum is available once the child reaches 18.



## 18 Club Account

Our 18 Club account was launched back in 1979 and in 2010 achieved its 5th award from Moneyfacts for being the Best Children's account provider in the UK. Whilst

## 21 Club Account

Anyone between the ages of 18 and 21 can open our 21 Club savings account, which may be of particular interest to our savers with maturing 18 Club accounts, as they can continue to receive an attractive rate of interest. You only need £1 to open an account and up to three withdrawals are allowed per year.



## Building societies show the way forward

By Adrian Coles OBE  
DIRECTOR-GENERAL,  
THE BUILDING SOCIETIES ASSOCIATION



Building societies have emerged relatively unscathed from the financial storms that began with the sight of queues outside Northern Rock bank on our TV screens in September 2007. Indeed, in the report of the Independent Commission on Banking, headed by Sir John Vickers, the point is made that "building society regulations have operated effectively for a long time". No society has required the sort of taxpayer bail-out characteristic of the banking sector. Banks are owned by shareholders (or governments!) seeking profits; in contrast building societies are owned collectively by their customers. Societies have a huge incentive to look after their customers; research shows that their service levels are much higher than those of banks. Moreover, the money that banks use

to pay dividends to shareholders can be used to offer better rates to building societies' borrowers and savers.

These advantages are becoming more evident - mutuals' mortgage lending is up 17% in the first seven months of this year compared to last, while bank lending is down 8%. The advantages of local building societies are even greater - a more complete understanding of local markets than any bank based in the City of London, or in Edinburgh, can ever show; local - and therefore quick - decision-making; and a culture that views customers as friends and colleagues rather than numbers and profit-centres. Building societies offer something different and - after the difficulties of the last few years - clearly something better, than available from their plc competitors.



## Premier Business Account helps local businesses, trusts and charities

Since launching the Premier Business Account in 2009, we have helped local businesses, trusts and charities maximise the return on their cash balances.

These organisations also benefit from the security offered by HBS's financial performance and we are pleased to report that over £22 million is now held on account.

For further information please visit our website [www.harpendenbs.co.uk](http://www.harpendenbs.co.uk) or call us on 01582 765411.





# Record results for mortgage lending

By Richard Mason HEAD OF LENDING

The mortgage market has changed radically over the last few years moving from feast to famine. The demise of the wholesale money market is largely to blame and this may be further compounded by the fact that early in 2012 some lenders will have to pay back £185 billion under the Special Liquidity Scheme that was introduced to support the financial sector in the recession.

However, not all financial institutions are affected by these changes. At HBS we have always been cautious with our lending so we have never sought, nor received, any government bailouts. As a result, we have funds available to lend for well thought out mortgage proposals. In March this year your Society had a record month for lending. Indeed in 2010 our mortgage lending rose

by 4.5% and in the first half of 2011 this increased by a further 6.1%.

HBS continues to offer a common sense approach to lending with mortgages tailored to the needs of our clients. Every enquiry is carefully considered by one of our experienced underwriters. You are welcome to talk to them or, if you prefer, e-mail them details of your requirements.

In addition to straightforward residential mortgages, we are also able to consider complex cases, holiday homes, pied-a-terres, guarantors, bridging facilities, refurbishment and development projects. As long as the mortgage is affordable, age is not an issue.

To discuss your mortgage requirements, please call 01582 463133 or e-mail mortgages@harpendenbs.co.uk



## Meet our new Non-Executive Director

We are pleased to announce the appointment of our new Non-Executive Director, Paul Smith, who brings extensive expertise to your Society, having held seven Non-Executive Director posts since 2006, six of which are still active. These include NHS Hertfordshire, Vehicle Operator and Service Agency (VOSA) and the William Sutton Housing Association (WSHA).

Paul has a BA in Accountancy and undertook an MBA at Warwick Business School where he graduated in 1987. Paul is married with two children and lives locally in Hertfordshire.

## 'Top 10' for AGM voting

### MAJORITY IN FAVOUR

Directors' Report & Accounts **98.28%**

Re-appointment of Auditors **97.06%**

Directors' Remuneration Report **92.19%**

Thank you to the 19.63% of members who voted in our recent AGM. That figure places HBS in the 'top 10' of UK building societies for member participation. Each vote returned increases our donation to a nominated charity which meant that this year we sent a cheque for over £2,200 to Great Ormond Street Hospital. The results of this year's voting (including proxies) are detailed opposite:

## New branches... new members

Our branch network has now expanded to six, following the opening of the Buckingham, Tring and Wendover branches.

At the same time our regional membership has grown by almost 1,500 with over £12 million additional deposits. We would like to welcome our new members and trust they will enjoy the tailored and dedicated approach provided by the HBS team.



## Money might not grow on trees... but it grows in our Escalator account!

For a minimum balance of £100, why not open one of our Escalator accounts? Not only does this account allow you instant access to your money and pay you interest, it's a great alternative to a bank current account where your cash could be earning no interest at all.

You can have payments made directly into your Escalator account, such as wages or pension each month. So the money you need close at hand is readily available and working for you.

The Escalator provides you with a passbook to keep a record of your transactions and can be operated either in branch or by post.

For further details why not pop into one of our branches or give us a call on 01582 765411.

## Congratulations to HBS

By Derek French

DIRECTOR, CAMPAIGN FOR COMMUNITY BANKING SERVICES



In two decades 44% of the nation's bank branches have closed. Nearly 1000 rural and urban communities are now 'bankless' and another 1000, especially vulnerable, are down to one. For example in Hertfordshire, the villages of Redbourn and Wheathampstead have seen their local banks close and the problem is not exclusively rural as the district of Fleetville in St Albans lost all four.

With the support of around 20 national organisations including Age UK, Which? and the Federation of Small Businesses, the Campaign for Community

Banking Services (CCBS) is trying to do something about it. Until recently we have been successful in slowing down the pace of closures and protecting many 'last bank in town' situations. However, closure activity as we all know has recommenced.

Although it can never be a national solution like branch sharing, the move by some building societies to expand their branch networks is very welcome. My congratulations to Harpenden Building Society for opening new branches in Buckingham, Tring and Wendover. I hope that others follow your lead.

# Increased support for local charities and voluntary organisations

**As a mutual building society, our focus is to make sufficient profit to ensure the ongoing financial stability of the Society** and provide you, our members, with the best possible rates and service.

Whilst this financial success has enabled us to perform our primary function very effectively, it has also allowed us to develop our other historic role which is continuing engagement with our local community who are largely based in Herts, Beds & Bucks.

We have always supported local charities and voluntary organisations and our continued financial strength means we can further develop the support we provide. In 2009 we established a Grassroots Endowment Fund working with the Hertfordshire Community Foundation which boosted our charitable contributions with Government backing. Work under this scheme has included:



## Breathe Easy

Breathe Easy groups are organised by The British Lung Foundation and consist of people who are living with lung disease and their carers. With HBS support seminars were arranged to help groups become more effective by providing advice about their management structures, fundraising, information sharing and publicity.



Paul Smith, Non-Executive Director at Harpenden Building Society and Christine Mills, Grants Manager at Hertfordshire Community Foundation look on as Hayley Richardson, Media Relations Trainer for the British Lung Foundation helps Breathe Easy group participants Roger Callaby and Audrey Newbould with drafting a press release.

**In addition to the Grass Roots Foundation activities we have also made direct contributions to a number of projects including:**

## St. Albans District Chamber of Commerce

Last year we were proud recipients of the St Albans District Chamber of Commerce Corporate Social Responsibility Award and we will be sponsoring the award this year.

## The Sparx Theatre Company

The Sparx Theatre Company is a charity group that puts on shows each year which are produced and acted by young people with learning difficulties. HBS will be supporting the production costs of the next show.

## Waste not Want not

This Herts based social enterprise group uses horticulture to change the lives of people who are homeless, have addiction problems or mental health issues.

Produce is sold via their nursery in Rabley Heath and the Welwyn Garden City Farmers' Market. With help from HBS they attended the 2011 Herts County Show, and the Highland Gathering in Harpenden.

## Grove House Hospice

We are a main sponsor of the Herts 10K Run. This well established event raises funds for the Grove House Hospice and is aiming to raise £150k during the 2011 event.



## Training makes it easier

In addition to being a key sponsor of the Herts 10K run, four of the HBS team have been training hard for the last eight weeks to complete it. Congratulations to

Carl Astley, Phil Bannister, Caroline McKernan and Jake Bannister for their efforts and raising further funds to support the Grove House Hospice.

## Your opinion matters

As a member of a building society your opinion really does matter. So, from January 2012 onwards, we are offering members visiting the six HBS branches the opportunity to complete a branch questionnaire. Simply complete the questionnaire and place it in the box provided. All completed questionnaires will then be reviewed on an ongoing basis.

### Buckingham Branch

23 Market Hill  
Buckingham  
Buckinghamshire  
MK18 1JX  
Tel: 01280 823666  
Fax: 01280 823535

### Harpenden Branch

Aberdeen House  
14 Station Road  
Harpenden  
Hertfordshire  
AL5 4SE  
Tel: 01582 344204  
Fax: 01582 766967

### Leighton Buzzard Branch

22 Market Square  
Leighton Buzzard  
Bedfordshire  
LU7 1HE  
Tel: 01525 852525  
Fax: 01525 379389

### Radlett Branch

341 Watling Street  
Radlett  
Hertfordshire  
WD7 7LB  
Tel: 01923 854457  
Fax: 01923 855145

### Tring Branch

38 High Street  
Tring  
Hertfordshire  
HP23 5AA  
Tel: 01442 824722  
Fax: 01442 891047

### Wendover Branch

3 Icknield Court  
Back Street  
Wendover  
Buckinghamshire  
HP22 6EB  
Tel: 01296 623595  
Fax: 01296 696680

HARPENDEN BUILDING SOCIETY | AUTHORISED FOR INVESTMENTS BY TRUSTEES

A MEMBER OF THE BUILDING SOCIETIES ASSOCIATION | AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY No. 157260

Head Office: Mardall House, 9-11 Vaughan Rd, Harpenden, Hertfordshire AL5 4HU Tel: 01582 765411 Fax: 01582 462673 Email: enquiries@harpendenbs.co.uk

