



Letter from the Chief Executive *Paul Tilley*

Hello and welcome to the latest issue of our £notes newsletter.

I am pleased to report that the Society has enjoyed yet another successful year. We have seen continued growth in both our lending and savings balances and have delivered a robust level of profit to maintain financial strength.

To ensure continued success, we need to optimise but not maximise profit to protect against any financial shocks, continue to meet regulatory requirements and enable investment and growth in the business for the good of members.

The Bank of England base rate of 0.5% has not changed for over

seven years, an historic low, with the likelihood of an increase remaining remote for some time. Savers continue to be hit hard but the Society will carry on protecting those members as best we can.

Our regulatory environment continues to move at a pace and whilst the Society is well able to continue to meet new requirements, this compliance does come at a financial cost to the business.

The Society's objective remains to provide excellent value for money products allied to a first class personal service for members.

An example of this commitment is our aim to refurbish the Barwell branch during the forthcoming year.

Looking ahead the Society's financial position means it is well placed to continue to develop and grow prudently in the interests of members.

Finally, I want to take this opportunity to thank all our dedicated staff and Board of Directors for their continued hard work and you, our members, for your on-going support.

Best wishes
Paul Tilley

A big thank you

We wish to take this opportunity to say a big thank you to two of our Directors on their retirement from our Board of Directors, Chris Packham and Richard Krasucki.

Chris Packham joined the Society as a Non-Executive Director in January 2007 after working in the sector since the 1980s. He will be retiring from this position and his role as Vice Chairman at the Society's Annual General Meeting on 13th July 2016. Chris plans to spend his retirement travelling around the world with his wife and we wish him all the happiness for the future.

Richard Krasucki retired from the Society's Board on 21st March 2016 where he held roles as Chairman of the Audit Risk Assessment and Compliance Committee and Senior Independent Director. After a career spanning 30 years in the financial services sector, Richard is looking forward to spending quality time with his family. We wish him all the best for his retirement.



Award winning Society

We were delighted to have won a prestigious award at the 2016 Mortgage Finance Gazette Awards for the support we offer in the local community, after we launched the Society's 'In the community' fund just over one year ago.

Our contribution was recognised at a ceremony in London on Wednesday 18th November 2015 and we received the winner award in the Community Services - Small lenders category.

Joanne Atkin, Group Editor of Mortgage Finance Gazette, said, "The judges were impressed with the Society's 'In the community' programme and particularly heartened by its work with a local food bank, allowing its two branches, in Earl Shilton and Barwell, to be used as collection stations."

The 'In the community' fund continues our on-going commitment to supporting residents in the Earl Shilton and Barwell areas and is available for applicants from local groups and organisations.



More information on how to participate can be found on page 3 and on our website.

Earlier on in the year, we also had the pleasure to learn that the Society had been 'Highly Commended' in the 2015 Moneyfacts Awards for the 'Best No Notice Account Provider' category which was another great achievement for the Society.

Paul Tilley, Chief Executive, commented, "We're delighted to be commended for our services as we continuously aspire to provide the highest possible standards for our customers."



Earl Shilton

BUILDING SOCIETY
YOUR MUTUAL FRIEND

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Our mortgage team expands... again!

It's been another busy year for the mortgage department as we continue to expand and recruit new members of staff as part of our on-going commitment to providing excellent service to our customers.

Jo Long, who has been working in the Society's savings team for more than nine years, transferred to the mortgage team last year. Jo is progressing well and has already passed her Certificate in Mortgage Advice and Practice (CeMAP) qualification. Jo is joined by Lauren Chamberlain, who is a brand new recruit for the team and will be assisting with mortgage applications.

Sharon Sutton has returned to the mortgage department from maternity leave and we wish to congratulate Sharon and her husband on the birth of their new baby son. Sharon,



Lauren Chamberlain



Barbara Deveney



Jo Long



Sharon Sutton



Dee McArdle



Jacquie Lennox

who has also passed her CeMAP exams, brings our team to seven strong after we welcomed our Mortgage Supervisor, Jacquie Lennox, to the team last year.

We are also looking to further strengthen the team and hope to recruit a new Mortgage Administrator over the coming months.



Nicola Startin

Jamie's pioneering studies

Our Information Systems Analyst, Jamie Kirk, has begun studying a pioneering Masters programme at Loughborough University in Leadership and Management, in order to further his knowledge of building societies.



The part-time MSc has been specifically designed by the University's School of Business and Economics and the Building Societies Association (BSA) for those who work in a customer owned/mutual financial services firm.

Jamie joined the Society in 2010 after completing his A Levels and was initially employed as a cashier before progressing to the IT team. He is one of 26 employees from 17 different building societies to study the Masters, which covers topics including Leading and Managing People, Corporate Governance and modules on Financial, Operations and Marketing Management,

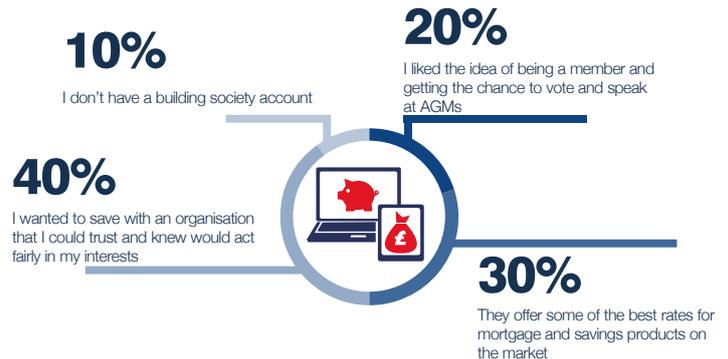
Strategy and Planning.

Jamie commented, "I'm thoroughly enjoying taking on a new challenge through my Masters and I feel it will help me to continue making a positive contribution to the Society."

Trust in building societies is high

The Society's online poll found that 40 per cent of respondents chose to manage their finances with building societies because they wanted to save with an organisation they could trust and which would act fairly in their interests.

Why did you choose to have a building society account?



Don't forget!

We've installed a new debit card reader at our Earl Shilton branch to help our customers to easily transfer their money from their bank account to a savings account with the Society.



Personal Savings Allowance

A new Personal Savings Allowance came into place on 6th April 2016 which means that up to £1,000 of income from savings (e.g. any interest earned) will be tax-free for basic rate taxpayers, and up to £500 of savings income will be tax-free for higher rate taxpayers. For more information visit the website at www.esbs.co.uk/savings/savings-introduction or go to GOV.UK and search for Personal Savings Allowance.

Did you know?

You can keep up to date with all the latest news from the Society on Twitter, Facebook and LinkedIn? Visit @earlshiltonbs, www.facebook.com/earlshiltonbs & www.linkedin.com/company/earl-shilton-building-society

Meet the Team

We've recently launched our 'Meet the Team' web pages to introduce the Society's Board of Directors, the Senior Team and the Mortgage Team, with more to follow. Visit the 'About Us' page on our website www.esbs.co.uk and select the 'Meet the Team' tab to find out more about our Directors and staff, their roles and how they serve our customers.

Online Services proves popular with customers

We have received a great amount of positive feedback since the launch of Online Services, which allows customers to view their savings and mortgage accounts – 24 hours a day, 7 days a week. To register and take advantage of the service, visit www.esbs.co.uk and click on the 'Online Services' tab.



Commitment to the community

It's been a successful year for our 'In the community' fund and, in addition to providing a collection station in both branches for a local food bank, the Society has supported a number of vital projects in the area, some of which are included below.

Our donation to Earl Shilton in Bloom helped support the town's entry in the East Midlands in Bloom competition which provided bright and colourful flower displays. Members from Barwell and Earl Shilton Disability Group enjoyed a sunny day at Skegness with our contribution covering

the cost of hiring a specialist coach with a disability lift. We also spread some Christmas cheer for Barwell Kids Lunch Club by covering the cost of a festive lunch for 40 children.

Any group interested in taking advantage of the fund can apply via the website and requests will be reviewed regularly. However, to ensure the scheme remains truly local, applications will only be accepted from the following postcode areas, LE, CV9 to 13 and DE11 to 15. Visit www.esbs.co.uk/useful-info/in-the-community for more information.



Charity Choice - Turn your AGM vote into a charity donation!

Once again two charities are set to benefit from your votes! For each valid AGM vote we will donate 25 pence and you can decide which of the two charities receives that 25 pence by making a selection on your AGM voting form. The maximum amount payable will be £1,000 and the details of each are:

Huntington's Disease Association is a national charity which provides a specialist service to help people and families seriously affected by the disease.



The terminal illness is hereditary, with each child of an affected parent at 50% risk of inheriting the faulty gene, which leads to mental decline coupled with involuntary movements and eventually dementia. The charity's mission is to ensure that no family faces Huntington's disease alone by improving patients' quality of life and raising awareness of the disease.

The New Born Baby Appeal from Leicester Hospitals

Charity cares for the smallest and sickest of babies in hospitals across Leicestershire and Rutland. Each year 11,000 babies are born in the area and one in

10 of those will need support from the neonatal unit. For some, the stay on the unit will be short but others can require long-term care and treatment. The charity is running the appeal to help babies and parents during such a difficult time by providing additional equipment and accommodation for parents.



And, we'd like your help deciding on the two charities for next year's vote! Please nominate a suitable charity by emailing your suggestion to charitychoice@esbs.co.uk and we will pick the two to benefit next time.

A quick reminder to our mortgage customers...

that you can pay an additional 20 per cent off your mortgage each financial year without incurring a penalty! This is potentially a great way to reduce the term of your mortgage and the interest you pay.

New appointments at the Society

Over the past financial year we have welcomed two new recruits to the Society, who are settling in well in their new roles.

The Society welcomes Laura Bembridge, who joins the team as Customer Service Assistant. Laura serves customers at our Earl Shilton branch and deals with any enquiries they may have.

Laura said, "I'm really enjoying my new position and having the opportunity to learn new skills and gain experience in the finance sector."

The Society also welcomes Lauren Chamberlain, who joins our Mortgage Team as an administrator, and assists the department by gathering all of the necessary information for mortgage applications.

Lauren commented, "I've always had a keen interest in mortgages, especially after working in an estate agency. The role is extremely varied and I hope to gain experience and progress in the Society."



Financial Services Compensation Scheme - New limit

As of 1st January 2016, savers have a new deposit guarantee limit from the Financial Services Compensation Scheme (FSCS) which grants them protection for up to £75,000 worth of savings per institution.

The change, which comes under the European Union Deposit Guarantee Schemes Directive, means that large companies and small local authorities will also benefit from the FSCS protection of up to £75,000. Consumers with times of temporary high balances (including proceeds from a house sale) are now protected for up to £1m for up to six months.



You can find more details at www.esbs.co.uk

Standing for Election

This year, Directors Neil Adams and Paul Beardsmore are seeking re-election whilst candidate Ian Dale is standing for election for the first time.



Neil Adams – To be re-elected

Neil Adams (58) joined the Society as Head of Finance in 2001 after an extensive career working as a Chartered Accountant. A strong advocate of the Society, Neil also serves as the Deputy Chief Executive and believes in working in the best interests of the Society's members. Neil enjoys exploring the great outdoors in his spare time and also supports his local church.



Paul Beardsmore – To be re-elected

Paul Beardsmore (64) has worked in the building society industry since 1971 and has been a Non-Executive Director at the Society since August 2013. Paul is the Society's Senior Independent Director as well as the Chair of the Remuneration Committee and is a strong supporter of the Society's traditional core values, which include its dedicated customer focus and financial prudence. He is also a charity trustee, directs a church choir and teaches piano.



Ian Dale – To be elected

Ian Dale (58) joined the Society as a Non-Executive Director in May 2015. Ian is a Chartered Accountant and has spent the majority of his career working in the mutual building society sector. He is passionate about helping the Society make a difference to the community. Ian is a Board Member of a Housing Association, Groundwork West Midlands and a Trustee Director for a pension fund and enjoys all sports, especially football and cycling.

Further details on all three can be found in our 'Meet the Team' web pages at www.esbs.co.uk



Cast your vote online

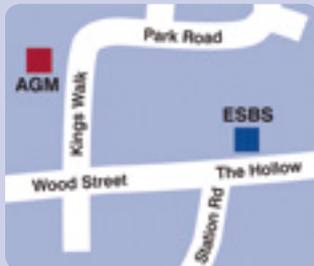
Remember - You can vote without leaving your own home.

To cast your vote online using your proxy form, simply visit our website www.esbs.co.uk and click on the button on the home page or alternatively you can go direct to www.votebyinternet.com/esbs2016 and follow the instructions.

AGM 2016

All members are invited, and encouraged, to attend and have their say on the Society at our 2016 AGM which will be held on **Wednesday 13th July at 6pm at The Hall, Age UK Senior Citizens Centre, Kings Walk, Earl Shilton LE9 7NL**. A buffet will be available after the meeting, during which you will have the opportunity to chat to Society

Directors and employees. We look forward to seeing you there.



COMPETITION WINNER

Congratulations to Mr Ian Fox from Leeds, who was selected as the competition winner from the last issue of £notes.

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Currency around the world

This year we are asking members to guess the answers to the questions below on currency from countries around the world. To be in with a chance of winning £50, answer the seven questions below.

1. Name one African country that uses the Shilling...
2. What was the largest US dollar bill ever issued for public circulation?
3. Which country uses Dong as its form of currency?
4. On which British coin would you find the Prince of Wales feathers?
5. What weighs the most – 500 one pence coins or 250 two pence coins?
6. In which country was the world's first paper currency created?
7. Until WW2, which country still used tea bricks as its form of currency?

Send your answers by post to Hannah Elwell, £notes Editorial, Unsworth Sugden, 86-92 Regent Road, Leicester LE1 7DD. Alternatively, you can email your answers, complete with your name and address, to hannah@unsworthsugden.co.uk. The closing date is Monday 25th July 2016 and the winner will be drawn at random from the correct entries received by this date. ESBS will credit the winner's account with £50, or if you don't have a savings account, we'll open one for you. Earl Shilton Building Society staff are not eligible to enter.

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🌐 www.esbs.co.uk 📧 enquire@esbs.co.uk

Branch office: Malt Mill Bank, Barwell, Leicester

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