

2010 NEWS *letter*



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Customer Policy

Our aim is to provide a friendly, personal and efficient service, coupled with a range of highly competitive products and total financial security.

At all times we will pursue the concept of mutuality by balancing the interests of both investing and borrowing members as equitably as possible within the framework of market forces.



Front cover: Pontyfelin Bowls Club

Our Charitable Foundation awarded funds to Pontyfelin Bowls Club for the purchase of a new storage shed for their sporting equipment.



Welcome

I'm delighted to welcome you to our 2010 customer newsletter.

We are proud to announce another excellent set of results for the year to April 2010. Despite a long period of economic turbulence triggered by the credit crunch deteriorating into a recession, the Society has bucked the industry trend to remain as strong and secure as ever.

Recent research has shown that the Mutual sector, of which the Society is a part, consistently outperforms its plc competitors in terms of customer service, treating customers fairly and value for money. In this latest edition of our newsletter, you'll see how we continue to grow and improve by listening to your comments. I encourage you to continue to provide feedback by returning our short customer questionnaire (which you can also complete online).

Our Cash ISA 2 account continues to reap industry-wide praise for the consistency of the rate it pays out to customers; and in more recent news, I am delighted to announce that our website has been revamped to provide an improved customer experience with greater online facilities.

Remember you can vote online through our website, or you can complete and return the enclosed proxy voting form. In our efforts to be more environmentally friendly, the Society has launched its first electronic AGM email pack for customers – why not register for next year and help raise more money for our Charitable Foundation.

Finally, for every valid voting form received (paper or online), we will donate 20p to our Charitable Foundation. Last year, thanks to our members, we raised a significant sum to help support local organisations and charities across South Wales.

Andrew Lewis
Chief Executive

Andrew Lewis



Savings Account News

ISA King of Consistency

Our Cash ISA 2 Account has been recognised as one of the 'most consistent Cash ISAs' in the UK by Moneyfacts, Moneysupermarket and Which? - all of which are leading monitors of savings products in the UK.

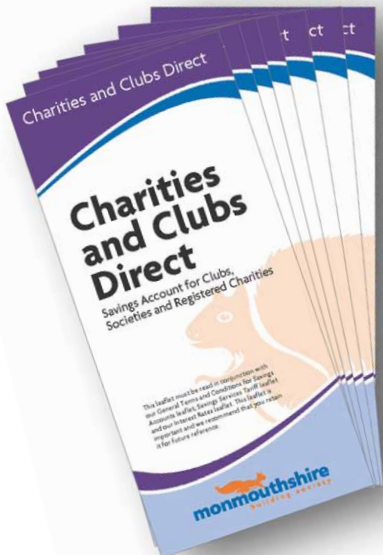
Moneyfacts have featured our Cash ISA 2 Account in two of their 'most consistent Cash ISA' categories - most consistent Cash ISA over 18 months and over 36 months to January 2010.

Our Cash ISA 2 account has been featured in the Sunday Times, **every week since March 2009**, as a 'best buy consistent Cash ISA', generating the best returns over a 3 year period from data supplied by Moneysupermarket.com.

In addition, our ISA has also been listed as a best rate Cash ISA on the influential Which? website since April 2009.

This is a perfect example of how the Society aims to provide competitive savings accounts that offer customers consistency over the longer term.

Find out more and apply online at www.monbs.com.



Charities & Clubs Account

If you're a Club, Society or Registered Charity looking for a savings account without the need for current account services, then why not try our popular Charities & Clubs Direct account. The account offers a very competitive rate of interest, is operated via our online 'My Accounts' service and no notice is required for withdrawals.

Find out more and apply online at www.monbs.com.

For more information about both these accounts and all our other savings accounts, just call into your local branch or agency office or visit our website at www.monbs.com

Online Services

New Website Launched

Earlier this year, as part of our ongoing commitment to deliver an improved customer service to our members, the Society launched its new website.

Aside from the new modern design, the website now includes an **Existing Customers section** which caters for a whole range of popular enquiries, where existing savers and borrowers can find further information and download forms.

In addition, the new **Search** facility should allow you to find things you're looking for much more easily.

Just like before however, you can still check all our interest rates, apply online to open most personal savings accounts, keep up to date on the latest mortgage products available, and find further information on the services of our subsidiary companies.

Log on to www.monbs.com today and have a look for yourself.



Manage your accounts online

More and more customers now enjoy the convenience of managing their accounts online using our 'My Accounts' service which allows you to:

- View all your accounts
- Transfer funds between accounts
- Authorise withdrawals
- Contact us using our secure messaging facility

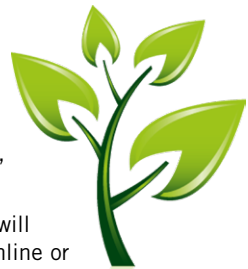
You can register today by logging on at **www.monbs.com**.



Go Green for 2011!

This year, registered customers will receive the Society's first ever electronic AGM pack by email. This helps the Society to play its part in being a more environmentally friendly organisation, by saving printing and postage costs.

For every customer who registers for the new service, the Society will also donate 50p to its Charitable Foundation. Whether you vote online or use your proxy voting from, you'll find a section where you can elect to receive your AGM pack by email from 2011 onwards. Alternatively, you can register on our website at **www.monbs.com/agmpack**. To register, you will need to provide your own personal email address and not that of another individual (e.g. spouse or partner).



Tell us what you think

Listening to our Customers

At Monmouthshire Building Society, we believe that customer feedback, both positive and negative, is important as a means of assessing the organisation, ranging from our product range and service quality, to the appearance of our branches and the attitude of our staff.

Each year we receive over 3,000 responses to our customer questionnaire, the results of which are used by the management team to help improve and enhance the services and facilities we offer to our customers.

Examples of member's feedback which has led to change include:

- Improving the range and competitiveness of our savings accounts (see page 4)
- Provision of better online services (see page 5)
- Improvements in our Branch Office facilities (see page 12)



Staff outside our Head Office.

Your Opinion Counts

Once again, we invite you to complete the enclosed short customer questionnaire and return it in the reply paid envelope along with your completed proxy voting form. Alternatively, you can complete the customer questionnaire and vote online at www.monbs.com/voteonline

All questionnaires returned by **13th August** will automatically be entered into a prize draw for a chance to win a two night stay for two people at the five star Celtic Manor Resort, including breakfast and dinner. Please note that the prize winner will be unable to claim this prize at any point during or around the Ryder Cup tournament in October 2010.

For more information on the full range of facilities offered at the Celtic Manor Resort, please visit www.celtic-manor.com or phone 01633 413 000



Last year's winner, Miss J Buckley from Newport, receiving her prize from Chief Executive, Andrew Lewis.



The five star Celtic Manor Resort in Newport, South Wales.

Mutual Sector voted Number 1 for Customer Service

Monmouthshire Building Society is part of the mutual sector, which is made up of organisations that are owned by, and run for the benefit of its members. Recent research conducted and compiled by the independent research agency GfK NOP has demonstrated that mutual organisations have consistently outperformed plc banks across various aspects of customer service, including:

- Treating customers fairly
- Value for money
- Being trusted to give good advice

Mortgage Services



60 Second Mortgage Challenge

If you don't already have a mortgage with the Society, why not challenge us to save you money - put us to the test today!

In just 60 seconds, one of our experienced mortgage advisers will be able to tell you whether or not we could save you money by lowering the cost of your monthly mortgage payments.

The information provided is for illustrative purposes only and does not constitute any form of mortgage offer or advice. As part of our Mortgage Service we can, if required, advise and make a recommendation for you after we have assessed your needs in full. You can arrange to speak with one of our mortgage advisers free of charge and without obligation.

We offer a wide range of competitive mortgages, coupled with a personal, flexible approach to help you find the right mortgage to suit your needs. Full details of all our mortgage products and services can be found online at www.monbs.com.

If you have a question about mortgages or wish to take our 60 Second Mortgage Challenge, simply call into any of our branches, or alternatively telephone us on 01633 844 350

Your home may be repossessed if you do not keep up repayments on your mortgage. Think carefully before securing other debts against your home.

Monmouthshire Insurance Services



Their professional advice covers:

- Commercial Combined
- All channels covered – Manufacturing, Warehousing, Distribution & Retail
- Shops, Offices & Restaurant insurance
- Tradesman & Landlord policies
- Vehicle & Fleet insurance
- Specialist – Key person; High net worth individuals; Foreign property

Our insurance subsidiary company, **Monmouthshire Insurance Services Ltd (MIS)**, offers an extensive range of general and specialist insurance services for both commercial and residential markets.

Visit them online at www.mis.co.uk to find out more about the types of insurance available, and to request online quotes.

Contact Us

For further information, contact MIS:

Tel: 01633 844 450

Email: info@mis.co.uk

Web: www.mis.co.uk

Monmouthshire Insurance Services Limited is authorised and regulated by the Financial Services Authority. Registration No. 467065.

SUPPORTING THE COMMUNITY

As a regional building society, we believe it's important to actively support the local communities in which we operate.

Since its launch in 2000, the Monmouthshire Building Society Charitable Foundation has contributed tens of thousands of pounds to over 150 local organisations and charities across South Wales.

During the last financial year, the Foundation has provided support to 25 locally based organisations, some of which are pictured here.



Always Amateur Boxing Club

Funding from our Charitable Foundation meant the Newport-based boxing club could purchase two new punch bags to help its young boxing enthusiasts train with better facilities.

The Foundation, a registered charity, is independent of the Society and its policies and decisions are determined by a Board of Trustees. The Trustees give up their own time in running the Charitable Foundation and are not paid for the work they do.

How you can help us

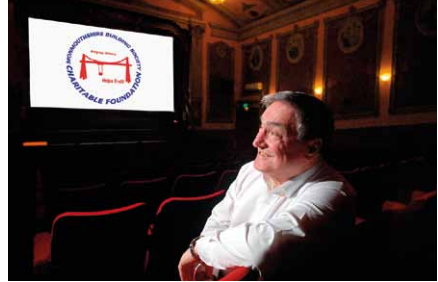
For every member who returns a completed proxy form, or who registers to receive their AGM pack electronically, the Foundation receives a generous donation from the Society. On behalf of all the trustees, I would like to thank everyone who voted last year, and encourage more of you to vote again this year. **G Jones, Chairman, MBSCF.**

How do I apply for a grant?

Full information, eligibility criteria and guidance on how to apply can be found in the application form. Copies are available from any branch or agency office, and can also be downloaded from the 'Community' section of the website at **www.monbs.com**.

Further Information

If you would like further information on the work of the Foundation please visit the 'Community section' within our website **www.monbs.com**, or contact The Secretary, Monmouthshire Building Society Charitable Foundation, Monmouthshire Building Society, John Frost Square, Newport, South Wales, NP20 1PX.



The Savoy Theatre

The Savoy Theatre based in Monmouth, which screens a variety of films for all age groups, received funding to purchase a new projector for the cinema.



Orchard House

Orchard House, based in Caerleon which provides residential support for adults with autism, were able to use funds provided by the Charitable Foundation to purchase a sensory bubble lamp which helps to calm and relax residents.



Gilwern Outdoor Education Centre

Our Charitable Foundation awarded funding to the outdoor education centre in Monmouthshire to purchase a wheelchair conversion kit to allow disabled children access to all areas of the site.



Welsh WTF Taekwondo Association

The Association, based in Pontypool, were granted funds by the Foundation to expand their range of gym and training equipment.

Pensions

The key to planning your future

Everyone has dreams for the future – especially what they would like to do when they retire. However, your retirement won't fund itself. You will no longer have a regular occupational income, so you need to start thinking now about where your income to live post-retirement will come from. You can't just rely on the state pension that the government pays you once you reach retirement age, because the payments aren't that generous. If you plan your pension correctly, you are in a position to maximise your future income after retirement.

What are the main types of pensions?

State Pension: This is a government payment made to you when you reach State Pension age. It provides a regular income for the remainder of your life but depending upon the type of lifestyle you want, it will probably not be enough to support you as you would like. For example, in 2010-11, a single person can get a maximum of £97.65 a week basic State Pension; provided they have built up enough National Insurance contributions. Some people though will get less than this because their contributions haven't reached the minimum requirements for a full basic State Pension.

Following the recent budget, the State Pension age is undergoing change, the resulting outcome of which is to date uncertain. However, the likelihood is that both men and women will be expected to work longer in the future meaning that other provisions would be needed to support earlier retirement.

Additional State Pension: This is also paid out by the government to qualifying individuals on top of their basic State Pension. There are several criteria in place that determines who

receives additional state pensions. An option currently exists for you to have this pension paid into a stakeholder or personal pension plan during your working life.

Employment-based pensions: Some retirement plans require both an employer and employee to contribute payments to a fund during their employment in order to receive defined benefits upon retirement. This plan is a tax deferred savings vehicle that allows for the tax-free accumulation of a fund for later use as a retirement income.

Defined Contribution Scheme: Defined contribution plans have become widespread all over the world in recent years, and are now the dominant form of private sector employment based pension plan. Money contributed can either come from an employee's salary or from employer contributions. Pension payments are invested, for example in the stock market, and the returns on the investment (which may be positive or negative) are credited to the individual's account. Upon retirement, an individual's pension will normally be provided by using the fund to buy an annuity, which is when you swap a lump sum - in this case your pension fund - for an income, in this case a pension payable for the rest of your life.

Will I have enough to live on?

Every individual is different, and planning for the future will similarly be different for all. There are numerous pension options available, and it's best to undergo a pension review with an independent financial adviser who can assess your needs, your aims and how you want to live post-retirement. You can then start to look at the available options that can help you remain on track to achieve the retirement you want - but you need to act today. Putting off your pension means that as your future gets closer, your retirement dreams could be drifting further away.

This is only a brief summary of possible pension provision arrangements. Before you make any decisions, you need to speak to a financial adviser, who can provide more in-depth information, including updating you on the changes to State Pensions.

Established in 1997, Monmouthshire Independent Financial Advisers are a subsidiary of Monmouthshire Building Society, and operate across South Wales with offices in Newport, Cardiff and Swansea. We provide professional independent financial advice to personal and corporate customers.

We are an accredited member of SIFA (Solicitors Independent Financial Advice), which means we are qualified to work alongside solicitors to provide independent financial advice to their clients.



Richard Hill,
Managing Director of
Monmouthshire IFA.
Richard recently became
the first Personal
Financial Planner in
Wales to be certified
to ISO 22222 by
Standards International,
an internationally agreed
benchmark for personal
financial services.

We also offer Independent Financial Advice on:

- Financial Protection
- Equity Release
- Inheritance Tax Planning
- Long Term Care
- Retirement Planning
- Corporate & Personal Pensions
- School / University Fee Planning

Contact Us

For more in-depth advice on any aspect of financial planning and investments, please contact us on:

Tel: (01633) 844300

Email: info@mifa.co.uk

Web: www.mifa.co.uk

Monmouthshire
Independent
Financial
Advisers

Mifa

a Monmouthshire Building Society Group Company



The Financial Services Authority does not regulate Buy to Let, commercial mortgages, taxation or trusts. Monmouthshire Independent Financial Advisers is authorised and regulated by the Financial Services Authority. Registration number 185037.

Branch & Agency News



Ross-on-Wye Agency.

Society opens its doors in Ross-on-Wye

In the last few months, the Society has expanded its branch and agency network into Herefordshire with the opening of a new Ross-on-Wye agent.

Based at Trivett-Hicks Estate Agents, this new addition to the Society network offers people living in and around the Ross-on-Wye area, the full range of Monmouthshire Building Society savings services right on their doorstep.

Barry Agent moves to new home

The Society's Barry agency has recently moved to new premises, and is now being operated by KJ Herbert Insurance Services, based at 27 Holton Road in Barry.

The new Barry agency continues to offer the same full savings service as before including account opening, deposit and withdrawal facilities. In addition, the new office has extended opening hours and is also open on Saturday mornings.

Branches given 'make-over'

Our Usk and Cardiff branches have both recently been refurbished, and now offer enhanced facilities within a more welcoming customer environment. For all our customers living in those areas, why not pop along to your local branch and see for yourself.



Cardiff branch in Birchgrove.



Usk branch.

Future Branch Development: During the coming year, we plan to relocate our existing Maindee branch a short distance to an improved location. With enhanced facilities and additional space our aim is to provide a better service to existing and new members alike. Full details will be provided to customers who use this branch once our plans are finalised.

Interest rates paid to Savers during the year (1 May 2009 to 30 April 2010)

Where appropriate the rates include any bonus. All bonuses payable are fixed unless otherwise stated.

Accounts available to all customers.

01 May 2009 to 30 April 2010

Escalator Bonus 90 – Annual Interest (inc. 0.5% bonus)

	AER/Gross %
£100000 and over	2.00
£50000 - £99999	2.00
£25000 - £49999	1.50
£10000 - £24999	1.25
£5000 - £9999	1.00
£2500 - £4999	0.60

Escalator Bonus 90 – Monthly Interest (inc. 0.5% bonus)

	AER %	Gross %
£100000 and over	1.91	1.90
£50000 - £99999	1.91	1.90
£25000 - £49999	1.40	1.40
£10000 - £24999	1.15	1.15
£5000 - £9999	0.90	0.90

Escalator Bonus – Annual Interest (inc. 0.5% bonus)

	AER/Gross %
£100000 and over	1.00
£50000 - £99999	1.00
£25000 - £49999	0.60
£10000 - £24999	0.60
£5000 - £9999	0.60
£1000 - £4999	0.60

Escalator Bonus – Monthly Interest (inc. 0.5% bonus)

	AER %	Gross %
£100000 and over	0.95	0.95
£50000 - £99999	0.95	0.95
£25000 - £49999	0.55	0.55
£10000 - £24999	0.55	0.55
£5000 - £9999	0.55	0.55

Escalator Instant Account – Annual Interest

	AER/Gross %
£25000 and over	0.10
£10000 - £24999	0.10
£5000 - £9999	0.10
£2500 - £4999	0.10
£500 - £2499	0.10
£100 - £499	0.10

01 May 2009 to 30 April 2010

Saver Plus Account (Issue 2)

Annual Interest (inc. 1.0% bonus)

	AER/Gross %
£20 and over	2.35

Christmas Saver Account (Issue 2)

Annual Interest (inc. 1.0% bonus)

	AER/Gross %
£1 and over	2.25

Premium Tracker Account – Annual Interest

	AER/Gross %
£10000 and over	0.10

Young Savers Account – Annual Interest

	AER/Gross %
£10 and over	1.25

Cash Child Trust Fund

Annual Interest (inc. initial 1.25% bonus)

	AER/Tax free %
£250 and over	1.75

Cash ISA 2 – Annual Interest

	AER/Tax free %
£10 and over	2.50

Cash ISA 2 – Monthly Interest

	AER %	Tax free %
£5000 and over	2.48	2.45

ISA Saver – Annual Interest (inc. 1.0% bonus)

	AER/Tax free %
£20 and over	2.50

Income Generator Account – Monthly Interest

	AER %	Gross %
£5000 and over	2.53	2.50

Affinity Instant Account – Annual Interest

	AER/Gross %
£100 and over (£10 if under 18)	0.50

01 May 2009 to 30 April 2010

Premier Saver Account (Issue 5)

Annual Interest (inc. initial 1.75% bonus) (launched 15 July 2009)

	AER/Gross %
£25000 - £100000	2.75

Two Year Bond (Sixth Issue) – Annual Interest

	AER/Gross %
£100000 and over	3.20
£50000 - £99999	3.20
£25000 - £49999	2.70
£5000 - £24999	2.70

Two Year Bond (Sixth Issue) – Monthly Interest

	AER %	Gross %
£100000 and over	3.14	3.10
£50000 - £99999	3.14	3.10
£25000 - £49999	2.63	2.60
£5000 - £24999	2.63	2.60

Corporate Bonus 90 – Annual Interest (inc. 0.5% bonus)

	AER/Gross %
£100000 and over	1.25
£50000 - £99999	1.25
£25000 - £49999	0.75
£10000 - £24999	0.60
£5000 - £9999	0.60
£2500 - £4999	0.60

Corporate Bonus 90 – Monthly Interest (inc. 0.5% bonus)

	AER %	Gross %
£100000 and over	1.15	1.15
£50000 - £99999	1.15	1.15
£25000 - £49999	0.65	0.65
£10000 - £24999	0.55	0.55
£5000 - £9999	0.55	0.55

**Corporate Instant – Annual Interest and;
Designated Deposit II – Annual Interest**

	AER/Gross %
£25000 and over	0.10
£10000 - £24999	0.10
£5000 - £9999	0.10
£2500 - £4999	0.10
£500 - £2499	0.10
£100 - £499	0.10

01 May 2009 to 30 April 2010

General Client Account – Monthly Interest

	AER %	Gross %
£3m and over	0.50	0.50
£1m - £2999999	0.25	0.25
£100 - £999999	0.10	0.10

Charities and Clubs Direct Account – Annual Interest

	AER/Gross %
£100000 and over	2.00
£5000 - £99999	1.75

Charities and Clubs Direct 30 Account – Annual Interest

	AER/Gross %
£100000 and over	2.50
£5000 - £99999	2.25

Closed Accounts**- No longer available to customers****Designated Deposit I – Annual Interest**

	AER/Gross %
£10 and over	0.25

Cash ISA 1 – Annual Interest

	AER/Tax free %
£10 and over	2.40

Saver Plus Account (Issue 1)

Annual Interest (inc. 3.0% bonus)

	AER/Gross %
£20 and over	3.05

Christmas Saver Account (Issue 1)

Annual Interest (inc. 3.0% bonus)

	AER/Gross %
£1 and over	3.05

Premier Saver Account (Issue 1)

Annual Interest (inc. initial 2.60% bonus)

	AER/Gross %
£25000 - £100000	2.65

01 May 2009 to 30 April 2010

Premier Saver Account (Issue 2)

Annual Interest (inc. initial 2.45% bonus)

	AER/Gross %
£25000 - £100000	2.50

Premier Saver Account (Issue 3)

Annual Interest (inc. initial 1.50% bonus)

	AER/Gross %
£25000 - £100000	2.00

Premier Saver Account (Issue 4)

Annual Interest (inc. initial 1.0% bonus)

	AER/Gross %
£25000 - £100000	2.00

Two Year Bond (Fifth Issue) – Annual Interest

	AER/Gross %
£100000 and over	2.10
£50000 - £99999	2.00
£25000 - £49999	1.25
£10000 - £24999	1.00
£5000 - £9999	0.75

Two Year Bond (Fifth Issue) – Monthly Interest

	AER %	Gross %
£100000 and over	2.02	2.00
£50000 - £99999	1.92	1.90
£25000 - £49999	1.16	1.15
£10000 - £24999	0.90	0.90
£5000 - £9999	0.65	0.65

Accounts only available through other organisations

These accounts are only available to clients of Monmouthshire Independent Financial Advisers Ltd.

Platinum Account – Annual Interest

	AER/Gross %
£100000 and over	2.00
£50000 - £99999	1.50

01 May 2009 to 30 April 2010

Platinum Account – Monthly Interest

	AER %	Gross %
£100000 and over	1.92	1.90
£50000 - £99999	1.41	1.40

Corporate Platinum Account – Annual Interest

	AER/Gross %
£100000 and over	1.25
£50000 - £99999	1.25

Corporate Platinum Account – Monthly Interest

	AER %	Gross %
£100000 and over	1.16	1.15
£50000 - £99999	1.16	1.15

Between 1st May 2009 and 30th April 2010 the Bank of England Base Rate has not changed.

Notes to interest rates

- Interest rates are variable and changes will be displayed in all of our branch and agency offices, and also published usually in the South Wales Argus and the Western Mail newspapers. You can also obtain details of interest rates from our website (www.monbs.com), by phoning either your branch or Head Office, or asking our branch staff.
- AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded each year. As every advert for a savings product will contain an AER, you will be able to compare more easily what return you can expect from your savings over time.
- The 'gross' rate is the contractual rate of interest payable before the deduction of tax at the specified rate.
- The 'tax free' rate is the contractual rate of interest payable where interest is exempt from income tax.

2010 **NEWS**letter



Monmouthshire House, John Frost Square,
Newport, South Wales, NP20 1PX. Tel: 01633 844 444