

Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165)

keyfacts[®]

The Financial Conduct Authority is a financial services regulator. It requires us, Leeds Building Society, to give you this important information to help you to decide whether our 2 Year Fixed Rate Bond (Issue 165) is right for you. You should read this document carefully so that you understand how the account operates, then keep it safe for future reference.

Summary Box Key Product Information for our Savings Account(s)	
Account Name	Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165)
Interest rates (AERs)	<u>Annual Interest</u> 1.75% Gross*p.a./AER [#] (fixed)
Tax Status	Interest will be paid gross, without the deduction of income tax. Payment of gross interest does not imply that the interest you receive is exempt from tax. It is your responsibility to advise the appropriate tax authorities of any interest received.
Conditions for bonus payment	There is no bonus available on this account.
Withdrawal arrangements	Access is limited to withdrawals of up to 25% of your capital investment without notice or loss of interest, prior to maturity (31 July 2016) subject to the minimum operating balance of £100 being maintained. Closure of the account is not permitted until the day after maturity (1 August 2016). Cash transactions are not permitted.
Access	Account may be opened/operated through the Society's Gibraltar branch (but not any other branches/agents) and/or by post through the Gibraltar branch.

*Gross means the rate of interest payable before the deduction of income tax at the rate specified by law. [#]AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and added each year. Rates correct at 6 June 2014.

The Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) is a limited issue and may be withdrawn without notice.

Minimum and maximum investment and operating balance

The minimum investment and operating balance is £100 and the maximum investment and operating balance is £1,000,000 (£2,000,000 for joint accounts), plus accrued interest credited to the account. In the event that the balance falls below £100, the basic investment rate of interest which is currently 0.05% Gross*p.a./AER[#] (variable) shall apply.

When is interest paid?

Interest is calculated daily and paid annually on 31 July (commencing 31 July 2015) and on maturity (31 July 2016).

How is interest paid?

Interest can either be credited to the account or transferred to another UK or Gibraltar building society/bank account or to another account held with the Society.

What happens to my investment at maturity?

The Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) will mature at midnight on 31 July 2016. On the day after maturity (1 August 2016), the Society will transfer your investment (including interest) to an instant access maturity account. Full details including terms and conditions will be provided before maturity.

What about income tax?

Interest will be paid gross, without the deduction of income tax. Payment of gross interest does not imply that the interest you receive is exempt from tax. It is your responsibility to advise the appropriate tax authorities of any interest received.

What if I change my mind?

From the date of account opening you have 14 days to notify us (in writing) if you are not happy with your choice of account. Please write to our Gibraltar Branch at PO Box 1414, First Floor, Heritage House, Main Street, Gibraltar. Within that period we will, if instructed by you, refund your investment with interest from account opening or, subject to eligibility, transfer the investment to another account of your choice without any charge for early withdrawal. Please refer to the Society's General Investment Conditions (Gibraltar/Offshore) for further information.

What if I have a complaint?

We aim to provide a high quality service to customers at all times. Unfortunately, mistakes do occur, but when this happens we shall do our best to resolve problems or misunderstandings which arise. Should you need to refer a matter of complaint to us, details of the procedure are available from our Gibraltar branch or our Customer Helpline on (00350) 200 50602.

Product Terms & Conditions

The Society's General Investment Conditions (Gibraltar/Offshore) will apply unless (and to the extent that) they are inconsistent with these Terms and Conditions.

Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) Effective from the date of account opening

1. Operation of the Account

- 1.1 The Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) is a fixed rate, fixed term account.
- 1.2 The Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) is a limited issue and may be withdrawn without notice.
- 1.3 The Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) may be opened/operated through the Society's Gibraltar branch (but not any other branches/agents) and/or by post through the Gibraltar branch.
- 1.4 Cheques and correspondence will only be sent to your home address (including third party cheques).
- 1.5 Cash withdrawals and deposits are not permitted.
- 1.6 This account is a share account. This means that you will become a shareholding member of the Society through holding the account. You are bound by the Rules of the Society and copies of the Rules are available from our Gibraltar branch.
- 1.7 In accordance with the Society's Rules, only the first named of joint account holders is entitled to exercise the rights of membership (such as voting and participation in any distribution of the Society's assets). Joint account holders may select which of them is to be representative (i.e. first named) account holder.

2. Eligibility

- 2.1 The Gibraltar 2 Year Fixed Rate Bond (Issue 165) is only available to UK or Gibraltar passport holders who are resident in Gibraltar and is not available to corporate bodies, executors, trustees, nominees, charities, or minors.
- 2.2 The Offshore 2 Year Fixed Rate Bond (Issue 165) is only available to UK passport holders who are resident in Spain and is not available to corporate bodies, executors, trustees, nominees, charities or minors.

3. Minimum/Maximum Investment

- 3.1 The minimum investment and operating balance is £100. In the event that the balance falls below £100, the basic investment rate of interest, which is currently 0.05% Gross* p.a. /AER# (variable) shall apply.
- 3.2 The maximum investment and operating balance is £1,000,000 (£2,000,000 for joint accounts), plus accrued interest credited to the account.
- 3.3 You can add additional funds (up to the maximum balance), until the product becomes a closed issue, which may be at any time and without notice.

4. Maturity

- 4.1 The Gibraltar/Offshore 2 Year Fixed Rate Bond (Issue 165) will mature at midnight on 31 July 2016. On the day after maturity (1 August 2016), the Society will transfer your investment (including any interest) to an instant access maturity account. Full details including terms and conditions will be provided before maturity.

5. Interest

- 5.1 Interest is calculated daily and paid annually on 31 July (commencing 31 July 2015) and on maturity (31 July 2016).
- 5.2 Interest can be credited to the account or transferred to another UK or Gibraltar building society/bank account or to another account held with the Society.
- 5.3 The fixed interest rate is related to long term market rates at the time of issue. Future fixed rate products may be offered at higher or lower rates depending upon changes in market conditions.

6. Withdrawals

- 6.1 Access is limited to withdrawals of up to 25% of your capital investment, without notice or loss of interest, prior to maturity (31 July 2016), subject to the minimum operating balance of £100 being maintained.

7. Closure of the account

- 7.1 Closure of the account is not permitted until the day after maturity (1 August 2016).

Opening Your Account

How to open an account

To open an account at our Gibraltar branch or by post you will need to provide the following:

- A completed and signed application form; and
- A deposit for your investment (for postal applications, a personal cheque is preferred); and
- Confirmation of your identity and address (please see below for details).

Verifying your identity and address

When accounts are opened, each investor must provide at least one document from each of the lists below. For confirmation of identity, the documents produced must be originals or copies certified by an accountant, banker, financial institution or lawyer. For confirmation of address, the documents produced must be originals dated within the last three months.

Confirmation of identity

- Current UK or Gibraltar Passport
- National ID Card

Confirmation of address

- Bank, building society or credit card statement
- Utility bill (not mobile phone bill)
- National ID Card (if not already used to prove identity)

New customers by post:

If your account is opened by post, one copy document (from the list above) certified by an accountant, banker, financial institution or lawyer confirming your identity and two original documents (from the above list) confirming your address will be required and each document must be from a different source. For details of other forms of acceptable identification please call (00350) 200 50602 or ask at our Gibraltar branch.

When opening your account, you will also need to provide us with information detailing the purpose of the account and the reason for opening it. We are also required to enquire as to the origin of funds paid into the account. In certain circumstances it may be necessary for us to request further information, documentation or both, in relation to the source of funds both in respect of your initial investment and subsequent deposits. Please note that these details will be held on the Society's records to comply with the requirements of the Gibraltar Financial Services Commission.

The Society takes appropriate steps to satisfy itself of the identity of its investors and these may include making further enquiries or seeking additional references. Where the above requirements cannot be satisfied, a birth certificate will be accepted as proof of identity for investors under the age of 18. Proof of parent's or guardian's address will be acceptable as confirmation of address.

Existing Customers

If you already have an account open with us, you do not normally need to provide any proof of your identity or address. Please ensure you write your existing account number in the space provided on the application form.

Leeds Building Society is a member of the Building Societies Association. The Society is a participant in the Financial Services Compensation Scheme, established under the Financial Services and Markets Act 2000 and compensation may be available if the Society cannot meet its liabilities in respect of this product, please see the Gibraltar/Offshore General Investment Conditions for full details.

We may monitor and/or record your telephone conversations with the Society to ensure consistent service levels (including colleague training).

The Society's main business is the provision of savings products, mortgages and general insurance. The Society offers some savings products that may be operated through branch and by post and certain products, which can be operated by post only.

Leeds Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK and our registration number is 164992. You can check this on the Financial Services Register by visiting the FCA website at www.fca.org.uk or by contacting the FCA on 00 44 207 066 1000. The Society is authorised to conduct business in Gibraltar by the Financial Services Commission.

Other taxes or costs may exist that are not paid by Leeds Building Society.

Large text, Braille and audio tape versions of our brochures are available on request.

Rates are correct at time of printing.

Leeds Building Society, 235 Main Street, Gibraltar