

The Financial Services Authority is the independent financial services regulator. It requires us, Leeds Building Society, to give you this important information to help you to decide whether our 5 Year Fixed Rate ISA (Issue 20) is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.

| Summary Box - Key Product Information for our Savings Account(s) |   |
|--|---|
| <b>Account Name</b>  | 5 Year Fixed Rate ISA (Issue 20)  |
| <b>Interest rates (AERs)</b>                                     | 3.75% Tax-free† p.a/AER*  |
| <b>Tax Status</b>  | This is a tax-free account so interest payable is exempt from income tax.   |
| <b>Conditions for bonus payment</b>                              | There is no bonus available on this account.  |
| <b>Withdrawal arrangements</b>                                   | Withdrawals/transfers can be made up to 25% of your capital investment without notice or loss of interest prior to maturity (31 August 2015). If you exceed this limit, the account will be subject to 180 days loss of interest or an equivalent amount on the amount withdrawn/transferred. |
| <b>Access</b>  | Account can be opened through any of our branches, via our website or by post, and can be operated through any of our branches or by post.  |

Rate correct as at 1 August 2010. †Tax-free means that interest payable is exempt from income tax. \*AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and added each year.

**Other Product Features**

**Investment Limits**

The minimum investment is £1. The maximum investment is £5,100 in 2010/11 tax year plus previous years' subscriptions, whether held with the Society or another ISA provider.

**When is interest paid?**

Interest is paid annually on 5 April (commencing 5 April 2011) and on maturity (31 August 2015).

**How is interest paid?**

Annual interest can either be credited to the account or transferred either to another building society/bank account or to another account held with the Society. Where annual interest is credited to the account then all interest earned can be withdrawn between 6 and 30 April each year without notice or loss of interest.

**Transfers in**

To transfer all or part of your existing ISA from another ISA provider, simply complete the ISA Transfer Request Form and we'll do the rest. Please note HM Revenue & Customs guidelines state that the ISA provider has up to 30 days to complete the transfer.

**Transfers out**

Transfers of up to 25% of your capital investment can be made to another ISA provider before maturity (31 August 2015) without notice or loss of interest. If you exceed this limit, the account will be subject to 180 days loss of interest or an equivalent amount on the amount transferred. Partial transfers are not permitted on current years' subscriptions in accordance with the ISA Regulations. If you wish to transfer before 6 April 2011, you must transfer all your investment and 75% of your investment will be subject to 180 days loss of interest and your account will be closed.

**What happens to my investment at maturity?**

Your 5 Year Fixed Rate ISA (Issue 20) will mature at close of business on 31 August 2015. At the end of the fixed term, subject to Government legislation, your account will remain an ISA. On the day after maturity (1 September 2015), the Society will transfer your investment (including interest) to a maturity ISA product. Full details, including terms and conditions, will be provided before maturity.

**Product Terms & Conditions**

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

**5 Year Fixed Rate ISA (Issue 20)**

Effective from date of account opening.

- Only one cash ISA may be opened by an individual in any one tax year.
- A cash ISA may not be opened unless the individual is aged 16 or over and is resident and ordinarily resident for tax purposes in the UK.
- The cash ISA limits must not be exceeded in any tax year.
- A cash ISA may not be held in joint names.
- A cash ISA cannot be opened by a person other than the account holder except where someone is unable to complete an application form due to physical or mental incapacity and the Society is provided with such evidence/documentation as it may require (although the account must be in the name of the person incapacitated).
- ISA investments will be, and must remain in, the beneficial ownership of the account holder and must not be used as security for a loan.
- The operation of the account is subject to the applicable provisions of the ISA Regulations. The Society will notify you if by reason of any failure to satisfy the ISA Regulations, the ISA has, or will, become void.
- A cash ISA will cease to qualify for tax exemption from the date of death of the account holder. Interest earned will be treated as tax exempt until the date of death, but thereafter tax will be deducted at the appropriate rate.
- On your instructions and within such time as you shall stipulate (provided that the Society shall have up to 7 days for practical implementation of any such instructions), the ISA or part of the ISA, shall be transferred to another ISA Manager without loss of tax-free status (provided that any such transfer is in accordance with the ISA Regulations). However, if you transfer more than 25% of your capital investment before maturity (31 August 2015) the account will be subject to 180 days loss of interest or an equivalent amount on the amount transferred.
- On your instructions, and within such time as you shall stipulate, all or part of the investments held in the ISA and the proceeds arising from those investments shall be transferred or paid to you. However, if you withdraw

**What is an ISA?**

An ISA is simply a way of investing your money, tax-free. ISAs have no set investment period, although there are limits on the amount you can invest. There are two types of ISAs: cash ISAs and stocks and shares ISAs.

**The basics:**

- In the tax year beginning 6 April 2010, an individual can invest up to £10,200 in ISAs (£5,100 in a cash ISA).
- You can invest in each tax year, subject to the appropriate limits.
- You can open a cash ISA if you're 16 or over (18 for a stocks and shares ISA) and you're ordinarily resident in the UK.
- It is likely that ISAs will be available for the foreseeable future, although their tax treatment may change.
- You can withdraw money from your cash ISA at any time, and your interest will still be paid, tax-free, (please note, for some products early withdrawal/transfer charges may apply).

**Cash ISAs**

You can invest in one cash ISA in each tax year. The current annual subscription limit is £5,100 for a cash ISA (subject to the overall annual subscription limit of £10,200). Cash ISAs are ideal if you want to save cash. You can withdraw money from a cash ISA at any time, and your interest will still be paid tax-free (although withdrawal/transfer charges may apply for some products).

**Stocks and shares ISAs**

You cannot subscribe more than £10,200 to a stocks and shares ISA in the 2010/11 tax year. Where you subscribe to both a cash ISA and a stocks and shares ISA, the amount subscribed must not exceed the overall subscription limit of £10,200 in the 2010/11 tax year.

**You are only allowed to invest in one cash ISA and one stocks and shares ISA in each tax year.** Leeds Building Society doesn't offer stocks and shares ISAs but can offer you a stocks and shares ISA through our relationship with Aviva.

- more than 25% of your capital investment before maturity (31 August 2015), the account will be subject to 180 days loss of interest or an equivalent amount on the amount withdrawn.
- The Society will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities.
- The tax treatment of ISAs may change.
- The 5 Year Fixed Rate ISA (Issue 20) will mature at close of business on 31 August 2015. On the day after maturity (1 September 2015), the Society will transfer your investment (including interest) to a maturity ISA product. Full details, including terms and conditions, will be provided before maturity.
- Interest will be paid annually on 5 April (commencing 5 April 2011) and on maturity (31 August 2015).
- Annual interest can be credited to the account or transferred either to another building society/bank account or to another account held with the Society. Where annual interest is credited to the account then interest can be withdrawn between 6 and 30 April each year without notice or loss of interest.
- From the date of account opening the interest rate will be fixed as stated until maturity. Please refer to the Key Facts for full details.
- The 5 Year Fixed Rate ISA (Issue 20) is a limited issue and may be withdrawn without notice.
- Further subscriptions in future tax years are not permitted but you may transfer in previous years' subscriptions, whilst the issue remains open for further investments.
- The fixed interest rates are 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 the changes in market conditions.

**Please note:** the tax treatment of ISAs may change. This is a cash ISA. You may only subscribe to (invest in) one cash ISA in each tax year (although in any such year you may also subscribe to a stocks and shares ISA, subject to the overall ISA subscription limits). By opening a cash ISA you will be limiting the amount you can subscribe to a stocks and shares ISA. For further information about ISAs (including subscription limits) please refer to the Society's leaflet 'Easy step guide to tax-free savings'.