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NS Tender Offer

TENDER OFFER

LEEDS BUILDING SOCIETY

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Leeds Building Society announces Tender Offer for its £200,000,000 Callable Fixed Rate Reset Subordinated Notes due April 2029

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THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (EUWA).

2 October 2023. Leeds Building Society (the **Offeror**) announces today its invitation to holders of its outstanding £200,000,000 Callable Fixed Rate Reset Subordinated Notes due April 2029 (ISIN: XS1812121876) (the **Notes**) to tender any and all of their Notes for purchase by the Offeror for cash (the **Offer**). The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 2 October 2023 (the **Tender Offer Memorandum**) prepared by the Offeror for the Offer, and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

Summary of the Offer

Description of the Notes	ISIN / Common Code	Outstanding Nominal Amount	First Call Date	Benchmark Security	Purchase Spread	Purchase Yield	Purchase Price	Amoun subject to Offe
£200,000,000 Callable Fixed Rate Reset Subordinated Notes due April 2029	XS1812121876 / 181212187	£200,000,000	25 April 2028	0.125 per cent. UK Treasury Gilt due January 2028 (ISIN: GB00BMBL1G81)	220 bps	Sum of the Purchase Spread and Benchmark Security Rate (as defined in the Tender Offer Memorandum)	To be determined as set out in the Tender Offer Memorandum	Any an all

Rationale for the Offer

The Offeror continues to seek to optimise its capital base to support its strategy. A reduction of the Notes outstanding would support the Offeror in delivering its strategy on an optimal basis.

Following consummation of the Offer, any Notes that are purchased in the Offer will be retired and cancelled and no longer remain outstanding. The Offeror expects to pay for any Notes that it purchases in the Offer with cash on hand. The Offer is not conditioned on the Offeror obtaining any financing.

Purchase Price and Accrued Interest

The Offeror will, on the Settlement Date, pay for any Notes validly tendered and accepted by it for purchase pursuant to the Offer a purchase price (the **Purchase Price**) to be determined at or around 11.00 a.m. (London Time) on 10 October 2023 (such time and date, the **Price Determination Time**) in the manner described in the Tender Offer Memorandum by reference to the sum (such sum, the **Purchase Yield**) of (i) the purchase spread of 220 bps (the **Purchase Spread**) and (ii) the Benchmark Security Rate.

The Purchase Price will be determined by the Offeror and the Dealer Managers in accordance with market convention and expressed as a percentage of the nominal amount of the Notes accepted for purchase pursuant to the Offer (rounded to the nearest 0.001 per cent., with 0.0005 being rounded upwards), and is intended to reflect a yield to the first call date of the Notes (being 25 April 2028) on the Settlement Date equal to the Purchase Yield. Specifically, the Purchase Price for the Notes will equal (a) the value of all remaining payments of principal and interest on the Notes up to and including 25 April 2028 (assuming all outstanding Notes were redeemed at their nominal amount on such date), discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) Accrued Interest.

The determination of the Purchase Price by the Offeror and the Dealer Managers will, in the absence of manifest error, be final and binding on all parties.

The Offeror will also pay an Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer.

Any and All Offer

If the Offeror decides to accept valid tenders of any Notes for purchase pursuant to the Offer, it will accept for purchase all Notes that are validly tendered in full, with no *pro rata* scaling.

General

The Offer begins on 2 October 2023 (the **Launch Date**) and will expire at 4.00 p.m. (London Time) on 9 October 2023 (the **Expiration Deadline**), unless extended, re-opened or terminated as provided in the Tender Offer Memorandum.

In order to be eligible to receive the Purchase Price, Noteholders must validly tender their Notes by the Expiration Deadline, by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline. The relevant deadline set by any intermediary or Clearing System will be earlier than this deadline.

Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum. Tender Instructions must be submitted in respect of an aggregate nominal amount of at least the minimum denomination in respect of the Notes (being £100,000), and may be submitted in integral multiples of £1,000 thereafter.

Indicative Timetable for the Offer

Events	**Times and Dates** (all times are London Time)
Launch Date	
Offer announced and Tender Offer Memorandum available from the Tender Agent via the website https://deals.is.kroll.com/leedsbuildingsociety Notice of the Offer published via RNS	2 October 2023
Expiration Deadline	
Deadline for receipt by the Tender Agent of all Tender Instructions.	4.00 p.m. on 9 October 2023
Price Determination Time	
Determination of the Benchmark Security Rate, Purchase Yield and Purchase Price.	At or around 11.00 a.m. on 10 October 2023
Announcement of Results and Pricing	
Announcement by the Offeror of whether it accepts for purchase Notes validly tendered in the Offer and, if so accepted, the aggregate nominal amount of Notes to be purchased pursuant to the Offer, the Benchmark Security Rate, the Purchase Yield and the Purchase Price.	As soon as reasonably practicable after the Price Determination Time on 10 October 2023
Settlement Date	
Payment of the Purchase Price and the Accrued Interest Payment in respect of the Notes accepted for purchase.	Expected to be on 12 October 2023

Subject to applicable law and as provided in the Tender Offer Memorandum, the Offeror may, in its sole and absolute discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time and the above times and dates are subject to the right of the Offeror to so extend, re-open, amend and/or terminate the Offer.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified above. ***The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above and in the Tender Offer Memorandum.***

Unless stated otherwise, announcements in connection with the Offer will be made by the Offeror by (i) publication through RNS and (ii) delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made on (a) the relevant Reuters Insider Screen and/or (b) by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are set out below. Significant delays may be experienced in respect of notices delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer.

Further Information

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for participating in, the Offer.

Requests for information in relation to the Offer should be directed to:

THE DEALER MANAGERS

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

Telephone: +44 20 7678 5222
Attention: Liability Management
Email: nwmliabilitymanagement@natwestmarkets.com

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

Telephone: +44 20 7103 2410 / +44 20 7103 2454
Attention: Liability Management Group
Email: liability.management@nomura.com

Requests for information in relation to the procedures for tendering Notes in, and for any documents or materials relating to, the Offer should be directed to:

THE TENDER AGENT

Kroll Issuer Services Limited
The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Telephone: +44 20 7704 0880
Attention: Jacek Kusion
Email: leedsbuildingsociety@is.kroll.com
Website: https://deals.is.kroll.com/leedsbuildingsociety

This announcement is made by Leeds Building Society and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the EUWA (**UK MAR**), encompassing information relating to the Offer described above. For the purposes of UK MAR and the Implementing Technical Standards, this announcement is made by Paul Riley, Director of Treasury at the Offeror.

DISCLAIMER

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. Any Noteholder who is in any doubt as to the action it should take is recommended to seek its own financial, regulatory and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes in the Offer. None of the Offeror, the Dealer Managers or the Tender Agent or any of their respective directors, employees, officers, agents or affiliates expresses any opinion about the merits of the Offer or makes any recommendation whether Noteholders should tender Notes in the Offer and no one has been authorised by the Offeror, the Dealer Managers or the Tender Agent to make any such recommendation.

OFFER AND DISTRIBUTION RESTRICTIONS

The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum come(s) are required by each of the Offeror, the Dealer Managers and the Tender Agent to inform themselves about and to observe any such restrictions. Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and either Dealer Manager or any of its affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made on behalf of the Offeror by such Dealer Manager or such affiliate (as the case may be) in such jurisdiction.

United States. The Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to persons located or resident in the United States. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in the Offer will represent that it is not located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of the above paragraph, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom. This announcement and the Tender Offer Memorandum have been issued by Leeds Building Society of Sovereign House, 26 Sovereign Street, Leeds, West Yorkshire LS1 4BJ, United Kingdom which is authorised by the Prudential Regulation Authority (the **PRA**) of 20 Moorgate, London EC2R 6DA, United Kingdom and regulated by the Financial Conduct Authority (the **FCA**) of 12 Endeavour Square, London E20 1JN, United Kingdom and the PRA. This announcement and the Tender Offer Memorandum are only addressed to Noteholders where they would (if they were clients of the Offeror) be *per se* professional clients or *per se* eligible counterparties of the Offeror within the meaning of the FCA rules. Neither this announcement nor the Tender Offer Memorandum is addressed to or directed at any persons who would be retail clients within the meaning of the FCA rules and any such persons should not act or rely on it. Recipients of this announcement and/or the Tender Offer Memorandum should note that the Offeror is acting on its own account in relation to the Offer and will not be responsible to any other person for providing the protections which would be afforded to clients of the Offeror or for providing advice in relation to the Offer.

In addition, this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the **Financial Promotion Order**)) or within Article 43 of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

Italy. None of the Offer, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offer have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Noteholders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase in the Offer through authorised persons

(such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with any other applicable laws and regulations and with any requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or the Offer.

France. The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offer have only been and shall only be distributed in France to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended. Neither this announcement nor the Tender Offer Memorandum have been or will be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

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