Tender Offer

LEEDS BUILDING SOCIETY

Released 08:47:29 15 September 2022

RNS Number : 5861Z
Leeds Building Society
15 September 2022

Leeds Building Society announces Tender Offer for its Regulated £600,000,000 Series 11 Floating Rate Covered Bonds due 15 April 2023

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (the United States) OR IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE OR TO WHOM IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT (SEE "OFFER AND DISTRIBUTION RESTRICTIONS" BELOW)

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).

15 September 2022. Leeds Building Society (the **Offeror**) announces today its invitation to holders of its outstanding Regulated £600,000,000 Series 11 Floating Rate Covered Bonds due 15 April 2023 (ISIN: XS1979287437) (the **2023 Covered Bonds**) to tender any and all of their 2023 Covered Bonds for purchase by the Offeror for cash subject to the satisfaction (or waiver) of the New Financing Condition (as defined below) (the **Offer**). The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 15 September 2022 (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 2023 Covered Bonds	ISIN / Common Code	Outstanding nominal amount	Purchase Price	Amount subject to the Offer
Regulated £600,000,000 Series 11 Floating Rate Covered Bonds due 15 April 2023	XS1979287437 / 197928743	£600,000,000*	100.31 per cent.	Any and all

* £14,397,000 in aggregate nominal amount of the 2023 Covered Bonds is currently held by the Offeror and its subsidiaries.

Rationale for the Offer

The Offeror is making the Offer in order to provide liquidity to the holders of the 2023 Covered Bonds while optimising its funding and liquidity position. The Offer also provides holders with an opportunity to sell their 2023 Covered Bonds ahead of their maturity date and to receive, at the sole and absolute discretion of the Offeror, priority in the allocation of the New Covered Bonds (as defined below), subject to the issue of the New Covered Bonds and such Covered Bondholder making a separate application for the purchase of such New Covered Bonds to a Dealer Manager as described under "*Allocation of the New Covered Bonds*" below.

2023 Covered Bonds purchased by the Offeror pursuant to the Offer are expected to be cancelled and will not be re-issued or re-sold.

Purchase Price and Accrued Interest

The Offeror will, on the Settlement Date, pay for 2023 Covered Bonds validly tendered and accepted by it for purchase pursuant to the Offer, a cash purchase price equal to 100.31 per cent. of the nominal amount of such 2023 Covered Bonds (the **Purchase Price**).

The Offeror will also pay an Accrued Interest Payment in respect of 2023 Covered Bonds accepted for purchase pursuant to the Offer.

Any and All Offer

If the Offeror decides to accept valid tenders of any 2023 Covered Bonds for purchase pursuant to the Offer, it will accept for purchase all 2023 Covered Bonds that are validly tendered in full, with no *pro rata* scaling, subject to the satisfaction (or waiver) of the New Financing Condition.

New Covered Bonds Offering and New Financing Condition

Alongside the Offer, the Offeror has also announced today its intention, subject to market conditions, to issue new sterling-denominated floating rate covered bonds (the **New Covered Bonds**), irrevocably and unconditionally guaranteed as to payments of interest and principal by Leeds Building Society Covered Bonds Limited Liability Partnership (the **LLP**).

Whether the Offeror will purchase any 2023 Covered Bonds validly tendered in the Offer is subject, without limitation, to the successful completion (in the sole determination of the Offeror) of the issue of the New Covered Bonds (the **New Financing Condition**), or the waiver of such condition.

Even if the New Financing Condition is satisfied, the Offeror is under no obligation to accept for purchase any 2023 Covered Bonds tendered pursuant to the Offer. The acceptance for purchase by the Offeror of 2023 Covered Bonds validly tendered pursuant to the Offer is at the sole and absolute discretion of the Offeror, and tenders may be rejected by the Offeror for any reason.

*Any investment decision to purchase any New Covered Bonds should be made solely on the basis of the information contained in (i) the prospectus dated 14 December 2021 prepared in connection with the Global Covered Bond Programme of the Offeror, as supplemented by the supplementary prospectuses dated 9 May 2022 and 9 September 2022 (together, the **Programme Prospectus**) and (ii) the final terms to be prepared in connection with the New Covered Bonds, and no reliance is to be placed on any other representations other than those contained in the Programme Prospectus.*

For the avoidance of doubt, the ability to purchase any New Covered Bonds is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Covered Bondholder and the selling restrictions set out in the Programme Prospectus). It is the sole responsibility of each Covered Bondholder to satisfy itself that it is eligible to purchase the New Covered Bonds.

*The New Covered Bonds and the guarantee thereof have not been, and will not be, offered or sold in the United States. Nothing in this announcement or the Tender Offer Memorandum constitutes an offer to sell or the solicitation of an offer to buy the New Covered Bonds or the guarantee thereof in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the **Securities Act**). The New Covered Bonds and the guarantee thereof have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the Securities Act (each a **U.S. Person**)).*

***Compliance information for the New Covered Bonds**:*

UK MiFIR - professionals/ECPs-only / No PRIIPs or UK PRIIPs KID - Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs or UK PRIIPs key information document (KID) has been or will be prepared. No sales to UK or EEA retail investors.

See the Programme Prospectus for further information.

No action has been or will be taken in any jurisdiction in relation to the New Covered Bonds or the guarantee thereof to permit a public offering of securities.

Allocation of the New Covered Bonds

When considering allocation of the New Covered Bonds, the Offeror may give preference to those Covered Bondholders that, prior to such allocation, have validly tendered or have given a firm intention to any Dealer Manager that they intend to tender their 2023 Covered Bonds for purchase pursuant to the Offer. Therefore, a Covered Bondholder that wishes to subscribe for New Covered Bonds in addition to tendering its existing 2023 Covered Bonds for purchase pursuant to the Offer may be eligible to receive, at the sole and absolute discretion of the Offeror, priority in the allocation of the New Covered Bonds, subject to the issue of the New Covered Bonds and such Covered Bondholder making a separate application for the purchase of such New Covered Bonds to a Dealer Manager (in its capacity as a joint lead manager of the issue of the New Covered Bonds) in accordance with the standard new issue procedures of such Dealer Manager. Any such preference will, subject to the sole and absolute discretion of the Offeror, be applicable up to the aggregate nominal amount of 2023 Covered Bonds tendered by such Covered Bondholder (or in respect of which such Covered Bondholder has indicated a firm intention to tender as described above) pursuant to the Offer. However, the Offeror is not obliged to allocate any New Covered Bonds to a Covered Bondholder that has validly tendered or indicated a firm intention to tender its 2023 Covered Bonds for purchase pursuant to the Offer and, if any such New Covered Bonds are allocated, the nominal amount thereof may be less or more than the nominal amount of 2023 Covered Bonds tendered by such Covered Bondholder and accepted for purchase by the Offeror pursuant to the Offer. Any such allocation will also, among other factors, take into account the minimum denomination of the New Covered Bonds (being £100,000).

All allocations of the New Covered Bonds, while being considered by the Offeror as set out above, will be made in accordance with customary new issue allocation processes and procedures in the sole and absolute discretion of the Offeror. In the event that a Covered Bondholder validly tenders 2023 Covered Bonds pursuant to the Offer, such 2023 Covered Bonds will remain subject to such tender and the conditions of the Offer as set out in the Tender Offer Memorandum irrespective of whether that Covered Bondholder receives all, part or none of any allocation of New Covered Bonds for which it has applied.

Covered Bondholders should note that the pricing and allocation of the New Covered Bonds are expected to take place prior to the Expiration Deadline for the Offer and any Covered Bondholder that wishes to subscribe for New Covered Bonds in addition to tendering 2023 Covered Bonds for purchase pursuant to the Offer should therefore provide, as soon as practicable, to any Dealer Manager any indications of a firm intention to tender 2023 Covered Bonds for purchase pursuant to the Offer and the quantum of 2023 Covered Bonds that it intends to tender.

General

The Offer begins on 15 September 2022 (the **Launch Date**) and will expire at 4.00 p.m. (London Time) on 23 September 2022 (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, Covered Bondholders must validly tender their 2023 Covered Bonds 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 2023 Covered Bonds (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	15 September 2022
Notice of the Offer published via RNS	
Expiration Deadline	
Deadline for receipt by the Tender Agent of all Tender Instructions.	4.00 p.m. on 23 September 2022

Announcement of Results Announcement by the Offeror of whether (subject to satisfaction (or waiver) of the New Financing Condition on or prior to the Settlement Date) it accepts for purchase 2023 Covered Bonds validly tendered in the Offer and, if so, the aggregate nominal amount of 2023 Covered Bonds to be purchased pursuant to the Offer.	As soon as reasonably practicable on 26 September 2022
Settlement Date Subject to the satisfaction (or waiver) of the New Financing Condition, payment of the Purchase Price and the Accrued Interest Payment in respect of the 2023 Covered Bonds accepted for purchase.	Expected to be on 29 September 2022

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.

Covered Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold 2023 Covered Bonds when such intermediary would need to receive instructions from a Covered Bondholder in order for that Covered Bondholder 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 Covered Bondholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer.

Further Information

Covered Bondholders 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

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Telephone: +44 20 7992 6237
Attention: Liability Management
Email: LM_EMEA@hsbc.com

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

Telephone: +44 20 7678 5222
Attention: Liability Management
Email: liabilitymanagement@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

The Toronto-Dominion Bank
60 Threadneedle Street
London EC2R 8AP
United Kingdom

Telephone: +44 20 7628 2262
Attention: Liability Management
Email: LM@tdsecurities.com

Requests for information in relation to the procedures for tendering 2023 Covered Bonds 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 Mark Taylor, Head of Treasury Front Office 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 Covered Bondholder 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 2023 Covered Bonds 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 2023 Covered Bonds in the Offer. None of the Offeror, the LLP, 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 Covered Bondholders should tender 2023 Covered Bonds in the Offer and no one has been authorised by the Offeror, the LLP, 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 LLP, 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 2023 Covered Bonds (and tenders of 2023 Covered Bonds in the Offer will not be accepted from Covered Bondholders) 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 any 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.

No action has been or will be taken in any jurisdiction in relation to the New Covered Bonds that would permit a public offering of securities and the minimum denomination of the New Covered Bonds will be £100,000.

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 2023 Covered Bonds 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 2023 Covered Bonds in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of 2023 Covered Bonds 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.

This announcement and the Tender Offer Memorandum are not an offer of securities for sale in the United States or to U.S. Persons. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Covered Bonds have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons.

Each holder of 2023 Covered Bonds 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 two paragraphs, **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 Covered Bondholders 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, Covered Bondholders or beneficial owners of the 2023 Covered Bonds that are located in Italy can tender Covered Bonds 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 2023 Covered Bonds 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*.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

TENLAMRTMTIBMFT

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. Terms and conditions, including restrictions on use and distribution apply.

© 2022 London Stock Exchange plc. All rights reserved.