

15 November 2010

## Leeds Building Society

### **Issue of Regulated £250,000,000 4.875 per cent. Series 3 Covered Bonds due 2020 irrevocably and unconditionally guaranteed as to payment of principal and interest by Leeds Building Society Covered Bonds Limited Liability Partnership under the €7 billion Global Covered Bond Programme**

The Programme has been registered, and notice of these Covered Bonds will be made under, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the **Conditions**) set forth in the Prospectus dated 4 October 2010 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer, the LLP and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. Copies of the Prospectus are available free of charge to the public at the principal office of the Issuer and from the specified office of each of the Paying Agents.

- |    |      |  |  |
|----|------|--|--|
| 1. | (i)  | Issuer:  | Leeds Building Society   |
|    | (ii) | Guarantor:   | Leeds Building Society Covered Bonds Limited Liability Partnership |
| 2. | (i)  | Series Number:   | 3  |
|    | (ii) | Tranche Number:  | 1  |
| 3. |      | Specified Currency or Currencies:                                  | GBP/£  |
| 4. |      | Aggregate Nominal Amount of the Covered Bonds admitted to trading: |  |
|    | (i)  | Series:  | £250,000,000   |
|    | (ii) | Tranche:   | £250,000,000   |
| 5. | (i)  | Issue Price:   | 99.177 per cent. of the Aggregate Nominal Amount                   |

	(ii)	Net proceeds	£247,192,500
6.	(i)	Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Covered Bonds in definitive form will be issued with a denomination above £199,000.
	(ii)	Calculation Amount:	£1,000
7.	(i)	Issue Date:	16 November 2010
	(ii)	Interest Commencement Date:	Issue Date
8.	(i)	Final Maturity Date:	16 November 2020
	(ii)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	16 November 2021
9.		Interest Basis:	4.875 per cent. Fixed Rate accruing annually in arrear from and including the Issue Date to but excluding the Final Maturity Date (further particulars specified below)
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest Basis or Redemption/Payment Basis:	Applicable
			From and including the Final Maturity Date the following interest provisions apply:
			Interest Basis: Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date: 1 Month LIBOR +1.75 per cent. per annum Floating Rate
			Interest Payment Dates: 16th day of each month, from but excluding the Final Maturity Date to and including the Extended Due for Payment Date
			Interest Period: The period from and including the Final Maturity Date, or as the case may be an Interest Payment Date, to but excluding the next following Interest Payment Date
			Modified Following Business Day Convention
			Business Days: London, TARGET2
			Day Count Fraction: Act/365
			Interest Determination Dates: First day of each Interest Period

Screen Rate Determination

Relevant Screen Page: Reuters page LIBOR01 or any replacement thereto

12. Call/Put Options: Not Applicable
13. (i) Status of the Covered Bonds: Senior
- (ii) Status of the Guarantee: Senior
- (iii) Board approval for issuance of Covered Bonds obtained: 22 September 2008, 29 October 2008, 28 September 2009, 6 August 2010 and 12 November 2010.
14. Listing: London
15. Method of distribution: Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed Rate Covered Bond Provisions Applicable, from and including the Issue Date to but excluding the Final Maturity Date
- (i) Fixed Rate(s) of Interest: 4.875 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 16 November in each year up to and including the Final Maturity Date
- (iii) Business Day Convention: Following Business Day Convention
- (iv) Business Day(s): TARGET2 and London
- (v) Fixed Coupon Amount(s): GBP 48.75 per GBP 1,000 in nominal amount
- (vi) Initial Broken Amount(s): Not Applicable
- (vii) Final Broken Amount: Not Applicable
- (viii) Day Count Fraction: Act/Act (ICMA)
- (ix) Determination Date(s): 16 November in each year
- (x) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: Not Applicable
17. Floating Rate Covered Bond Provisions Applicable, from and including the Final Maturity Date to but excluding the Extended Due For Payment Date
- (i) Specified Period(s)/Specified Interest Payment Date(s): The 16th day of each month from and including 16 November 2020 to and including the Extended Due for Payment Date

	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Centre(s):	London, TARGET2
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	Not Applicable
	(vi) Screen Rate Determination:	
	– Reference Rate:	1-month LIBOR
	– Interest Determination Date(s):	First day of each Interest Period.
	– Relevant Screen Page:	Reuters page Reuters page LIBOR01 or any replacement thereto
	(vii) Margin(s):	+ 1.75 per cent. per annum.
	(viii) Minimum Rate of Interest:	Not Applicable
	(ix) Maximum Rate of Interest:	Not Applicable
	(x) Day Count Fraction:	Act/365
	(xi) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in Condition 4(b) of the Conditions:	Not Applicable
18.	Zero Coupon Covered Bond Provisions	Not Applicable
19.	Index Linked Interest Covered Bond/other variable-linked interest Covered Bond Provisions	Not Applicable
20.	Dual Currency Covered Bond Provisions	Not Applicable

## PROVISIONS RELATING TO REDEMPTION BY THE ISSUER

- |     |   |                        |
|-----|---|------------------------|
| 21. | Issuer Call:  | Not Applicable         |
| 22. | Investor Put:   | Not Applicable         |
| 23. | Final Redemption Amount:  | Nominal Amount         |
| 24. | Early Redemption Amount payable on redemption for taxation reasons, on acceleration following an Issuer Event of Default or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f)) | Condition 6(f) applies |

## GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- |     |   |   |
|-----|---|---|
| 25. | New Global Covered Bond:  | Yes   |
| 26. | Form of Covered Bonds:  | Bearer Covered Bonds:<br>Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Dates:   | Not Applicable  |
| 28. | Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature):  | No  |
| 29. | Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: | Not Applicable  |
| 30. | Details relating to Instalment Covered Bonds:   |   |
|     | (i) Instalment Amount(s):   | Not Applicable  |
|     | (ii) Instalment Date(s):  | Not Applicable  |
| 31. | Redenomination:   | The provisions in Condition 5(h) apply  |
| 32. | Other terms or special conditions:  | Not Applicable  |

## **DISTRIBUTION**

- |     |       |  |                                    |
|-----|-------|--|------------------------------------|
| 33. | (i)   | If syndicated, names of Managers:  | Barclays Bank PLC<br>HSBC Bank plc |
|     | (ii)  | Date of Subscription Agreement:  | 15 November 2010                   |
|     | (iii) | Stabilising Manager (if any):  | Not Applicable                     |
| 34. |       | If non-syndicated, name of relevant Dealer(s):   | Not Applicable                     |
| 35. |       | U.S. selling restrictions:   | TEFRA D applicable, Regulation S   |
| 36. |       | Additional selling restrictions: (insert here any other relevant codes such as CUSIP and CINS codes) | Not Applicable                     |

## **LISTING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the €7 billion Global Covered Bond Programme of Leeds Building Society on the regulated market of the London Stock Exchange.

## **RESPONSIBILITY**

Each of the Issuer and the LLP accept responsibility for the information contained in these Final Terms. Each of the Issuer and the LLP confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the Building Societies Association, no facts have been omitted which would render the reproduced inaccurate or misleading.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- |      |   |  |
|------|---|--|
| (i)  | Listing and Admission to Trading                            | Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the Official List of the UK Listing Authority with effect from 16 November 2010. |
| (ii) | Estimate of total expenses related to admission to trading: | £225   |

### 2. RATINGS

- |     |          |  |
|-----|----------|--|
| (i) | Ratings: | The Covered Bonds to be issued have been rated:<br>Moody's:     Aaa<br>Fitch:        AAA |
|-----|----------|--|

### 3. NOTIFICATION

The United Kingdom Listing Authority has been requested to provide the London Stock Exchange and the Financial Services Authority with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fee provided to the Dealers and save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and the LLP are aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

### 5. OPERATIONAL INFORMATION

- |       |   |   |
|-------|---|---|
| (i)   | ISIN Code:  | XS0559312243  |
| (ii)  | Common Code:  | 055931224   |
| (iii) | Any clearing system(s) other than Euroclear or Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable  |
| (iv)  | Delivery:   | Delivery against payment  |
| (v)   | Name and address of initial Paying Agent:   | Deutsche Bank AG, London Branch<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB |
| (vi)  | Names and addresses of additional Paying Agent(s) (if any):   | Not Applicable  |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility:   | Yes<br><i>Note that the designation "yes" simply means that</i>                                     |

*the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met."*

Signed on behalf of the Issuer:

By: 

Duly authorised

Signed on behalf of the LLP:

By:

Duly authorised



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Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of the LLP:

By:



**under Power of Attorney**

Duly authorised