



LEEDS BUILDING SOCIETY

(incorporated in England under the Building Societies Act 1986 with Registered Number 320B)

£1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Arranger

Barclays Capital

Dealers

Barclays Capital

Citigroup

Deutsche Bank

The Royal Bank of Scotland



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31 January 2007

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by Leeds Building Society (the “**Issuer**” or the “**Society**”) in connection with a eurocommercial paper programme (the “**Programme**”) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “**Notes**”) up to a maximum aggregate amount of £1,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Issuer has, pursuant to a dealer agreement dated 31 January 2007 (the “**Dealer Agreement**”), appointed Barclays Bank PLC as arranger for the Programme (the “**Arranger**”), appointed Barclays Bank PLC, Citibank International plc, Deutsche Bank AG, London Branch and The Royal Bank of Scotland plc as dealers for the Notes (the “**Dealers**”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading.

Neither the Issuer, the Arranger nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealers, the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger’s or any Dealer’s attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and

is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes, the Issuer set out under “**Selling Restrictions**” below.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S).

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

TAX

No comment is made or advice given by the Issuer, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

INTERPRETATION

In the Information Memorandum, references to euros and € are to the single currency of those participating member states of the European Union; references to Sterling and £ are to pounds sterling; references to US Dollars and US\$ are to United States dollars; references to JPY and ¥ are to Japanese Yen.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

DOCUMENTS INCORPORATED BY REFERENCE

The following shall be deemed to be incorporated in, and to form part of, this Information Memorandum by reference:

- (a) the most recently published audited consolidated financial statements of the Issuer and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer; and
- (b) all supplements or amendments to this Information Memorandum by the Issuer from time to time.

Any statement contained in a document incorporated by reference into this Information Memorandum shall be deemed to be modified or superseded to the extent that a statement contained

in any subsequent document which also is incorporated by reference into this Information Memorandum modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the web site of the Issuer is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

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TERMS AND CONDITIONS

Issuer:	Leeds Building Society
Arranger:	Barclays Bank PLC
Dealers:	Barclays Bank PLC Citibank International plc Deutsche Bank AG, London Branch The Royal Bank of Scotland plc
Issue and Paying Agent:	HSBC Bank plc
Maximum Amount of the Programme:	The outstanding principal amount of the Notes will not exceed £1,000,000,000 (or its equivalent in other currencies) at any time. The Maximum Amount may be increased from time to time in accordance with the Dealer Agreement.
Programme Ratings:	Notes issued under the Programme have been assigned ratings by Moody's Investors Service, Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.
Form of the Notes:	The Notes will be in bearer form. The Notes will initially be in global form ("Global Notes"). A Global Note will be exchangeable into definitive notes ("Definitive Notes") only in the circumstances set out in that Global Note.
Delivery:	Global Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or with Euroclear France S.A. acting as central depository and clearing system ("Euroclear France") or with any other recognised clearing system. Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 31 January 2007 (the "Deed of Covenant"), copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to Euroclear, Euroclear France, Clearstream, Luxembourg or any other recognised clearing system agreed between the Issuer and the Issue Agent.
Currencies:	Notes may be denominated in euros, US Dollars, JPY, Sterling or any other currency subject to compliance with any applicable legal and regulatory requirements.
Term of Notes:	The tenor of the Notes shall be not less than one day or more than 364 days from and including the date of issue, subject to compliance with any applicable legal and regulatory requirements.
Denomination of the Notes:	Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations for Notes are US\$500,000, €500,000, £100,000, and ¥100,000,000. The minimum denominations of Notes denominated

in other currencies will be in accordance with any applicable legal and regulatory requirements. Minimum denominations may be changed from time to time but shall, in no circumstances, be less than £50,000 or its equivalent in other currencies.

Listing:	The Notes will not be listed on any stock exchange.
Yield Basis:	The Notes may be issued at a discount or may bear fixed or floating rate interest or a coupon calculated by reference to an index or formula.
Redemption:	The Notes may be redeemed at par or at an amount calculated by reference to an index or formula.
Status of the Notes:	The Issuer's obligations under the Notes will rank at least pari passu with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to building societies generally.
Selling Restrictions:	Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer and the Notes are subject to certain restrictions, details of which are set out under " Selling Restrictions " below.
Taxes:	Subject to the limitations and exceptions set out in the Notes all payments under the Notes will be made free and clear of withholding for any taxes imposed by the United Kingdom or any jurisdiction through or from which payments are made.
Governing Law:	The Notes will be governed by and construed in accordance with English law.

DESCRIPTION OF THE ISSUER

INTRODUCTION

Leeds Building Society is the one of the top 10 largest building societies in the United Kingdom.

The origins of the Society go back to 1845 when the Leeds Union Operative Land and Building Society was formed. Thirty years later on 21 January 1875 the Leeds and Holbeck Building Society was founded by members of the Society. The Society continued to trade under that name until September 2005 when the name of the Society was changed to Leeds Building Society.

BUSINESS ACTIVITIES

General

The principal purpose of the Society, as stated in Clause 3 of its memorandum and rules, is that of making loans which are secured on residential property and are funded substantially by its members.

The Society generates business from a number of sources including a network of 70 high street branch offices in the United Kingdom and Gibraltar, a customer telephone service centre, the Leeds Building Society website, postal savings and financial intermediaries.

The Society is committed to remaining an independent mutual building society. It strongly supports the concept of mutuality by seeking to give additional value to borrowers and investors and the communities it serves.

Mortgage Lending Activities

The Society provides a wide range of competitive fixed and variable rate mortgage products, enabling the Society to meet the needs of many different customers, whilst keeping the emphasis on lending quality. The Society's lending is of excellent quality with extremely low levels of arrears that are consistently below the Building Society average.

The Society also provides loans on commercial property. The types of properties the Society lends on include retail premises, offices and industrial buildings.

Funding

The Society is funded primarily from the retail market through a range of variable and fixed rate savings products. The Society also raises funds in the wholesale money markets and debt capital markets.

Liquid Assets

Building Societies are required to maintain sufficient assets in liquid form. The Society places funds in high quality short-term marketable instruments to provide operating liquidity. The types of liquid assets which may be held by the Society are prescribed by the Financial Services Authority.

Capital Resources

The Society's objective is to generate profits to ensure it has sufficient capital to maintain its financial security and to meet its growth projections.

SELLING RESTRICTIONS

1 GENERAL

Neither the Issuer nor any Dealer makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Disclosure Documents or any other offering material, in any country or jurisdiction where action for that purpose is required. Each Dealer has represented, warranted and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2 UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the Securities Act and the Notes if applicable, may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Each Dealer has represented and agreed that it has offered and sold, and will offer and sell, Notes only outside the United States to non-US persons in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

3 THE UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

4 JAPAN

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan. For these purposes “**Japanese Person**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

FORMS OF NOTES

FORM OF MULTICURRENCY GLOBAL NOTE (Interest Bearing/Discounted/Index-Linked)

The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act

LEEDS BUILDING SOCIETY

(Incorporated in England under the Building Societies Act 1986 with Registered Number 320B)

No..... Series No.:.....
Issued in London on:..... Maturity Date¹:.....
Specified Currency:..... Denomination:
Nominal Amount:..... Reference Rate: LIBOR/EURIBOR²
(*words and figures if a Sterling Note*)
Calculation Agent³:..... Minimum Redemption Amount⁴:
Fixed Interest Rate⁵:.....% per annum Margin⁶:.....%
Calculation Agent⁷:..... Interest Payment Dates⁸:
(*Interest*)

1. For value received, LEEDS BUILDING SOCIETY (the “**Issuer**”) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date[:
- (a) [the above-mentioned Nominal Amount]*; or
 - (b) if this Global Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Global Note and is available for inspection at the offices of the Paying Agent referred to below,]
- together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an agency agreement dated 31 January 2007 between the Issuer, the issue agent and the paying agents referred to therein, a copy of which is available for inspection at the offices of HSBC Bank plc (the “**Paying Agent**”) at 8 Canada Square, London, E14 5HQ, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. If European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, the Issuer will ensure that it maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

¹ “Not to be more than 364 days from (and including) the Issue Date.”

² Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

³ Complete for index-linked Notes only.

⁴ Complete for a Sterling index-linked note.

⁵ Complete for fixed rate interest bearing Notes only.

⁶ Complete for floating rate interest bearing Notes only.

⁷ Complete for floating rate interest bearing Notes only.

⁸ Complete for interest bearing Notes.

* Include if there is a possibility of Notes being index-linked.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Agent so chooses.

2. This Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.
3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or taxing authority of or in the foregoing (“Taxes”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (c) by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the this Global Note is presented for payment; or
 - (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Global Note to another Paying Agent in a Member State of the European Union; or
 - (e) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days.
4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“**TARGET Business Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

5. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):

- (a) if the clearing system(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if default is made in the payment of any amount payable in respect of this Global Note.
- Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue Agent shall authenticate and deliver, in exchange for and against the physical delivery to it of this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.
8. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 31 January 2007 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).
9. If this is an interest bearing Global Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day;
- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and
- (c) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.
10. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period [and a year of 360 days] * [or, if this Global Note is denominated in Sterling, 365 days] at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “Interest Period” for the purposes of this paragraph.
11. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.
- As used in this Global Note:
- “LIBOR” shall be equal to the rate defined as “LIBOR-BBA” in respect of the above-mentioned Specified Currency (as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the “ISDA Definitions”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period * [or, if this Global Note is denominated in Sterling, on the first day thereof] (a “LIBOR Interest Determination Date”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and
- “London Banking Day” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.
- As used in this Global Note, “EURIBOR” shall be equal to EUR-EURIBOR-Telerate (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “EURIBOR Interest Determination Date”);
- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “Amount of Interest”) for the relevant Interest Period. “Rate of Interest” means (A) if the Reference Rate is EURIBOR, the

rate which is determined in accordance with the provisions of paragraph 11(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 11(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “Interest Period” for the purposes of this paragraph; and
 - (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 7, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).
12. If the proceeds of this Global Note are accepted in the United Kingdom, the Principal Amount or Minimum Redemption Amount (as applicable) shall be not less than £50,000 (or the equivalent in any other currency).
13. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.
- As used in this paragraph, “Business Day” means:
- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
14. This Global Note shall not be validly issued unless manually authenticated by [*Paying Agent*] as issue agent.
15. This Global Note [and all matters arising from or connected with it] [is/are] governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer, irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

16. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
HSBC BANK PLC
without recourse, warranty or liability
and for authentication purposes only

Signed on behalf of:
LEEDS BUILDING SOCIETY

By:.....
Authorised Signatory

By:.....
Authorised Signatory

**FORM OF DEFINITIVE NOTE
(Interest Bearing/Discounted/Index-Linked)**

The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act

LEEDS BUILDING SOCIETY

(Incorporated in England under the Building Societies Act 1986 with Registered Number 320B)

No..... Series No.:.....
Issued in London on:..... Maturity Date¹:

Specified Currency: Denomination:
Nominal Amount:..... Reference Rate: LIBOR/EURIBOR²
(words and figures if a Sterling Note)

Calculation Agent³: Minimum Redemption Amount⁴:
Fixed Interest Rate⁵:.....% per annum Margin⁶:.....%

Calculation Agent⁷: Interest Payment Dates⁸:
(Interest)

1. For value received, LEEDS BUILDING SOCIETY (the “**Issuer**”) promises to pay to the bearer of this definitive Note on the above-mentioned Maturity Date:
 - (a) [the above-mentioned Nominal Amount]*; or
 - (b) if this definitive Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this definitive Note and is available for inspection at the offices of the Paying Agent referred to below,]

together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an agency agreement dated 31 January 2007 between the Issuer, the issue agent and the paying agents referred to therein, a copy of which is available for inspection at the offices of HSBC Bank plc (the “**Paying Agent**”) at 8 Canada Square, London, E14 5HQ, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this definitive Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a definitive Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. If European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 is brought into force, the Issuer will ensure that it maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

¹ “Not to be more than 364 days from (and including) the Issue Date.”

² Delete as appropriate. The reference rate will be LIBOR unless this definitive Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

³ Complete for index-linked Notes only.

⁴ Complete for a Sterling index-linked note.

⁵ Complete for fixed rate interest bearing Notes only.

⁶ Complete for floating rate interest bearing Notes only.

⁷ Complete for floating rate interest bearing Notes only.

⁸ Complete for interest bearing Notes.

* Include if there is a possibility of Notes being index-linked.

Notwithstanding the foregoing, presentation and surrender of this definitive Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a definitive Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Agent so chooses.

2. This definitive Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.
3. All payments in respect of this definitive Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or taxing authority of or in the foregoing (“Taxes”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this definitive Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this definitive Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this definitive Note; or
 - (b) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (c) by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where this definitive Note is presented for payment; or
 - (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this definitive Note to another Paying Agent in a Member State of the European Union; or
 - (e) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this definitive Note on the last day of such period of 15 days.
4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this definitive Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this definitive Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“**TARGET Business Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

5. The payment obligation of the Issuer represented by this definitive Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.

6. This definitive Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
7. If this is an interest bearing definitive Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this definitive Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this definitive Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and
 - (c) if no Interest Payment Dates are specified on the face of the definitive Note, the Interest Payment Date shall be the Maturity Date.
8. If this is a fixed rate interest bearing definitive Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period [and a year of 360 days] * [or, if this definitive Note is denominated in Sterling, 365 days] at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “Interest Period” for the purposes of this paragraph 8.
9. If this is a floating rate interest bearing definitive Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) in the case of a definitive Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this definitive Note is denominated in Sterling, 365 days.

As used in this definitive Note:

“LIBOR” shall be equal to the rate defined as “LIBOR-BBA” in respect of the above-mentioned Specified Currency (as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this definitive Note, (the “ISDA Definitions”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period * [or, if this definitive Note is denominated in Sterling, on the first day thereof] (a “LIBOR Interest Determination Date”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this definitive Note in relation to the Reference Rate; and

“London Banking Day” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a definitive Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this definitive Note, “EURIBOR” shall be equal to EUR-EURIBOR-Telerate (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “EURIBOR Interest Determination Date”);

- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “Amount of Interest”) for the relevant Interest Period. “Rate of Interest” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 9(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 9(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this definitive Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the

case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "Interest Period" for the purposes of this paragraph 9; and
 - (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
10. If the proceeds of this definitive Note are accepted in the United Kingdom, the Principal Amount or Minimum Redemption Amount (as applicable) shall be not less than £50,000 (or the equivalent in any other currency).
11. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this definitive Note as follows:
- (a) if this definitive Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this definitive Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph 11, "Business Day" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
12. This definitive Note shall not be validly issued unless manually authenticated by [*Paying Agent*] as issue agent.
13. This definitive Note [and all matters arising from or connected with it] [is/are] governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this definitive Note (including a dispute regarding the existence, validity or termination of this definitive Note). The parties to this definitive Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer, irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this definitive Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

14. No person shall have any right to enforce any provision of this definitive Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
HSBC BANK PLC
without recourse, warranty or liability
and for authentication purposes only

Signed on behalf of:
LEEDS BUILDING SOCIETY

By:.....
Authorised Signatory

By:.....
Authorised Signatory

PROGRAMME PARTICIPANTS

ISSUER

LEEDS BUILDING SOCIETY

105 Albion Street
Leeds
West Yorkshire
LS1 5AS

Telephone No: +44 (0) 113 225 7777
Facsimile No: +44 (0) 113 225 7879
Attention: Paul Riley, Head of Group Treasury

ARRANGER & DEALER

BARCLAYS BANK PLC

5 The North Colonnade
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London E14 4BB

Telephone No.: +44 (0) 20 7773 9075
Facsimile No.: +44 (0) 20 7773 4875
Attention: ECP Trading Desk

DEALERS

CITIBANK INTERNATIONAL plc

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Telephone No: +44 (0) 20 7986 9070
Facsimile No: +44 (0) 20 7986 6837
Attention: Short Term Fixed Income Desk

DEUTSCHE BANK AG, LONDON BRANCH

Winchester House
1 Great Winchester Street
London
EC2N 2DB

Telephone No: +44 (0) 20 7545 1048
Facsimile No: +44 (0) 113 336 2014
Attention: ECP Group

THE ROYAL BANK OF SCOTLAND PLC

135 Bishopsgate
London
EC2M 3UR

Telephone No: +44 (0) 20 7588 3968
Facsimile No: +44 (0) 20 7085 1900
Attention: Commercial Paper Group

THE ISSUE AND PAYING AGENT

HSBC BANK PLC

8 Canada Square

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E14 5HQ

Telephone No: +44 (0)20 7991 3747

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Attention: The Manager, Client Services, MTN Desk, Corporate Trust and Loan Agency

