

Variable Rate Policy Statement

Warning: We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

Leeds Building Society (also referred to in this statement as “**the Society**”, “**we**” or “**us**”)

This policy only applies to customers on our Irish Variable rate, it does not apply to mortgages which track, or are otherwise linked to, an external interest rate, including the European Central Bank Official Rate.

What do we consider when setting our variable interest rates?

We run the Society in the interests of both our borrowers and savers and we aim to balance the interests of them all. We are also required to run the Society prudently and in line with regulatory requirements. Before making any changes to our Irish Variable Rate, we'll always aim to make sure any change is reasonable in terms of the reason for making the change and we will not discriminate against you individually or as a particular type of borrower.

The key factors and criteria we consider in setting or changing our Irish Variable Rate are:

- a) If it is reasonable to vary our Irish Variable Rate to reflect changes which have happened or which we reasonably expect to happen, in interest rates or that will generally affect the residential mortgage market.
- b) To enable the Society to continue to offer competitive interest rates to our savers or the providers of funds to us.
- c) To manage the difference between interest rates paid to our savers or the providers of funds to us, and interest rates charged to our borrowers, in the interests of the Society as a whole.
- d) To take account of any changes in our costs or in the financial strength of the Society.
- e) To reflect any increased or reduced risk to the Society following a change in the way your property is used or occupied.
- f) To enable the Society to bring together, in a reasonable way, the interest rates being paid by borrowers following any acquisition or transfer of mortgage or any takeover/merger with another mortgage provider.
- g) If it is allowed following any breach by a borrower of any terms of the mortgage or the Society's rules. If it is reasonable to make the change following a decision or recommendation made by a court, regulatory body, Ombudsman or other official body, or as a result of a change (or anticipated change) in the law or the interpretation of the law.

Any variations / changes in the factors and criteria stated above could result in changes to our Irish Variable Rate.

How do we make decisions when setting variable interest rates?

Any changes to our Irish Variable Rate are considered by the Society's Pricing Working Group. This group includes a number of specialists and Executive Directors. To help us to make balanced decisions we include representatives from our Product, Distribution, Finance, Risk and Operations teams. The group typically meets weekly. However, the Chairman of the Pricing Working Group may convene an interim meeting where a decision is required in advance of the next scheduled meeting. Before making any changes to our Irish Variable Rate, the key factors and criteria above are considered by the Group and decisions are made by the majority agreement of Group members.

Why do we have different variable interest rates?

Save for our Irish Variable Rate, we do not have different mortgage variable rates in Ireland that are subject to change by us based on the factors and criteria set out within this statement.

Could you get a different type of interest rate or lower interest rate?

We do not have any alternative mortgage products or mortgage rates available in Ireland, however you should review your mortgage options on a regular basis and you may be able to find a better deal with another provider. You can seek independent mortgage advice from an agency such as Mortgage Advice and Budgeting Service (MMBS) or your local social welfare office.