



NORWICH & PETERBOROUGH
BUILDING SOCIETY

2010/2011 TAX EFFICIENT ISA ACCOUNTS

Individual Savings Accounts (ISAs) were introduced by the Government to allow people to save tax-efficiently.

The main features of ISAs are:

- ◆ Interest free from Income Tax and Capital Gains Tax
- ◆ Available to all UK residents aged 16 and over (16 and 17 year olds can only apply for a Cash ISA)
- ◆ ISAs allow you to invest in Cash and Stocks and Shares or a combination of the two.

The ISA options

There are two types of ISA:

- ◆ Cash ISAs
- ◆ Stocks and Shares ISAs

As an approved ISA Manager we can offer customers our own Cash ISAs.

N&P can also offer you ISA options with managed investments in stocks and shares through leading financial service providers in the UK.

Alternatively if you want a Self-select Stocks and Shares ISA which you can manage yourself, N&P can arrange an execution-only service for you.

How your ISA allowance works

You have to be 18 or over to invest in a Stocks and Shares ISA (16 or over for a Cash ISA) and secondly you must be a UK resident. So long as you fulfil those criteria, your options are as follows:

You can invest in one Cash ISA and one Stocks and Shares ISA each tax year up to your allowance of £10,200. You can do this by paying up to £5,100 into a Cash ISA and the balance (up to your allowance of £10,200) in a Stocks and Shares ISA. Alternatively, you could invest the full amount of £10,200 into a Stocks and Shares ISA.

So, for example, you could choose to:

- ◆ Save £5,100 in a Cash ISA and £5,100 in a Stocks and Shares ISA
- ◆ Save £2,000 in a Cash ISA and £8,200 in a Stocks and Shares ISA
- ◆ Save £10,200 in a Stocks and Shares ISA.

Other information to note:

- ◆ You can choose a Cash ISA and a Stocks and Shares ISA from the same or different providers
- ◆ A husband and wife can have one ISA each, but they cannot be held in joint names
- ◆ You can transfer any existing ISAs you hold with another provider to N&P (depending on individual ISA conditions).

What is a Stakeholder Cash ISA?

To meet the Government's Stakeholder standards a Cash ISA must allow you to put in or take out as little as £10 with no more than 7 days' notice. There must be no charges, easy access and an interest rate no lower than 1% below Bank Base Rate.

Our Stakeholder Cash ISA and Gold Cash ISA meet these standards.

Our Fixed Rate Cash ISAs and 60 Day Notice ISA do not meet these standards because they have a higher minimum investment, the interest rate is not linked in any way to Bank Base Rate and instant access is allowed subject to a loss of interest on the amount withdrawn, or transferred, or on the closing balance.

Can I withdraw any money?

All our Cash ISAs allow you access to your money. However, you may lose a sum equivalent to a specified period of interest on the amount withdrawn or transferred depending on the ISA chosen.

HM Revenue & Customs rules set the maximum amount you can invest in ISAs each tax year. Once the maximum has been invested for the tax year no more can be added, even if a withdrawal has been made which has reduced the balance below the maximum.

Where you wish to transfer your Cash ISA to another ISA Manager, you may specify a period of time within which we must make this transfer. This period of time shall not be less than 10 working days (i.e. any day excluding Saturday, Sunday and any other days on which our branches are closed for business).

You can transfer your Cash ISA to a Stocks and Shares ISA. Transfers from a Stocks and Shares ISA to a Cash ISA are not permitted. Money saved in previous tax years can be transferred to a Stocks and Shares ISA without affecting your annual ISA allowance.

What are the Tax benefits?

Investing within an ISA offers certain personal tax benefits.

If you choose to invest in a Cash ISA your investment will be completely free of both income and Capital Gains Taxes.

If you choose to invest in a Stocks and Shares ISA, your investment will be completely exempt from Capital Gains Tax with not further tax to pay on the income. The tax paid on the income from gilts and corporate bonds can be reclaimed as this is classified as interest and not dividend income.

For Cash ISAs we are required to supply the HM Revenue & Custom with particulars of interest paid to investors each year.

The value of current tax-relief depends on the financial circumstances of the investor and tax rates may be subject to change in the future.

The law relating to taxation may also change in the future.

ISAs available from N&P

Choosing an ISA that's right for you will depend on how easily you want to access your money. A summary of the main features of the Cash ISAs we offer is shown below.

To find out more about our Cash ISAs or Stocks and Shares ISAs we would recommend that you visit your nearest branch or telephone our Contact Centre on 0845 300 2511. Staff will be happy to explain the various options.

To find out more about Self-select Stocks and Shares ISAs, we would recommend that you contact the Sharedealing customer Service Team on 01892 700 838.

ISAs can only be held by individuals. Joint accounts are not allowed.

Gold Cash ISA

Summary Box Key Product Information for our Gold Cash ISA Account	
Account Name	Gold Cash ISA
Interest Rates (AERs)	Variable rate. Rate will be no lower than 1% below Bank Base Rate ¹ . Please see separate ISA rate insert for current rate.
Tax Status	Interest is paid tax-free.
Conditions for bonus payment	A fixed bonus of 2% will be paid on the 12 month anniversary of the ISA account opening provided you have paid at least £500 into your Gold Current Account each month for 12 months. The minimum number of payments in the year is 10. The bonus will be calculated on the average daily balance and paid back to the account. If the Gold Cash ISA is closed at any time other than on the anniversary date of account opening, no bonus or part bonus will be paid for that year. The bonus will be paid whether the customer opens a single name or joint named Gold Current Account.
Withdrawal arrangements	Easy access without notice or loss of interest.
Access	This account can be opened and operated at any of our branches or by post. It can also be

- Minimum opening investment and balance of only £10. Maximum subscription £5,100
- Interest is paid annually back to the account on 6th April. the first year bonus is paid on the anniversary of the Gold Cash ISA being opened.
- Exclusive to 2010/2011 Cash ISA tax year subscriptions. ISA subscriptions for any other tax year must be paid into another account.
- Cash ISA transfers from other providers not accepted, except where they are 2010/2011 tax year subscriptions.
- Transfers from other N&P savings accounts not accepted.
- There are no charges for having a Gold Cash ISA.
- Gold Cash ISA meets the Government's Stakeholder standards.
- Gold Cash ISA is available exclusively to new Gold Current Account holders or those who upgrade their existing account to pay in £500 each month.
- Share account, for personal customers only.

- ① Bank Base Rate means the rate currently referred to as the Bank of England UK Repo Rate as varied from time to time or, in event of this rate not being available, the average of the variable base lending rates of the four largest clearing banks in the London market from time to time. Please note that there may be a delay between a change in Bank Base Rate and any corresponding change in the rate payable on this account.

Stakeholder Cash ISA

Summary Box Key Product Information for our Stakeholder Cash ISA Account	
Account Name	Stakeholder Cash ISA
Interest Rates (AERs)	Variable rate. Rate will be no lower than 1% below Bank Base Rate①. Please see separate ISA rate insert for current rate.
Tax Status	Interest is paid tax-free.
Conditions for bonus payment	No bonus is payable on this account.
Withdrawal arrangements	Easy access without notice or loss of interest.
Access	This account can be opened and operated at any of our branches or by post. It can also be operated via the internet.

- Minimum opening investment and valance of only £10.
 - Interest is paid annually back to the account on 6th April.
 - Share account, for personal customers only
 - Cash ISA transfers from other providers accepted.
 - There are no charges for having a Stakeholder Cash ISA.
- ① Bank Base Rate means the rate currently referred to as the Bank of England UK Repo Rate as varied from time to time or, in event of this rate not being available, the average of the variable base lending rates of the four largest clearing banks in the London market from time to time. Please note that there may be a delay between a change in Bank Base Rate and any corresponding change in the rate payable on this account.

Fixed Rate Cash ISA

Summary Box Key Product Information for our Fixed Rate Cash ISA Accounts	
Account Name	Fixed Rate Cash ISA
Interest Rates (AERs)	Fixed rate for either 1, 2 or 5 years. N&P's variable rate Cash ISA will apply thereafter. Please see separate ISA rate insert for current rates.
Tax Status	Interest is paid tax-free.
Conditions for bonus payment	No bonus is payable on this account.
Withdrawal arrangements	Access during the 1 and 2 year fixed rate period with the loss of 180 days' interest. 300 days' loss of interest on the 5 year fixed rate ISA.
Access	This account can be operated at any of our branches or by post. It can also be operated via the internet.

- Minimum and maximum subscription £5,100
- No additional deposits allowed.
- Interest is paid annually back to the account on 6th April.
- Share account, for personal customers only.
- Cash ISA transfers from other providers accepted.
- There are no charges for having a Fixed Rate Cash ISA.

60 Day Notice Cash ISA

Summary Box Key Product Information for our 60 Day Notice Cash ISA Account	
Account Name	60 Day Notice Cash ISA
Interest Rates (AERs)	Variable rate. Please see separate ISA rate insert for current rates.
Tax Status	Interest is paid tax-free.
Conditions for bonus payment	No bonus is payable on this account.
Withdrawal arrangements	Penalty-free withdrawals on 60 days' notice or easy access with the loss of 60 days' interest.
Access	This account can be operated at any of our branches or by post. It can also be operated via the internet.

- Minimum opening investment £18,000. Maximum investment of £5,100 each year for new tax year subscriptions.
- Interest is paid annually back to the account on 6th April.
- Share account, for personal customers only.
- Cash ISA transfers from other providers accepted.
- There are no charges for having a 60 Day Notice Cash ISA.

IMPORTANT INFORMATION RELATING TO INVESTMENTS MADE IN N&P ISAs

Interest on a N&P Cash ISA is paid annually into the account on the evening of 5th April each year.

Cheques paid into an account paying a variable rate of interest will earn interest from the second day after the day we receive them. Cheques paid into an account paying a fixed rate of interest will earn interest from the day we receive them.

Money paid into your account in cash or by Bankers' Automated Credit will earn interest from the day we receive it. After that, interest is paid for each full day your money is invested.

Your money will earn interest up to, but excluding the day you withdraw your money.

Cheques

When you write a cheque, it will help prevent fraud if you clearly write the name of the person you are paying the cheque to and put extra information about them on the cheque, especially if you are not yourself paying a cheque in directly (e.g. because you are sending a cheque by post or passing it to someone else for them to pay in). If you are making a cheque payable simply to a bank or building society, do not make the cheque payable simply to that organisation. Add further details in the payee line, for example "Norwich and Peterborough Building Society, re J Jones, Account No XXXX". You should draw a line through unused space on the cheque so unauthorised people cannot add extra numbers or names.

How to open an account

It's easy to open an account with N&P. simply complete the appropriate application form indicating which type of account you wish to open and take it with your cheque to your local branch.

Please note, customers are required to provide their National Insurance Number when applying for an ISA.

Postal customers

As a new or existing customer, you may open an account no matter where you live in the UK.

Just fill in an application form and send it with a cheque, made payable to yourself to:

PM Customer Services
Norwich and Peterborough Building Society
FREEPOST PE 104
Peterborough PE2 6BR

Identification

Please refer to the separate 'Proving your identity' leaflet for details of identification requirements.

PLEASE REMEMBER STOCKS AND SHARES AND ANY INCOME DERIVED FROM THEM CAN RISE AND FALL IN VALUE. YOU MAY NOT GET BACK THE FULL AMOUNT OF YOUR INVESTMENT, IF IN DOUBT PLEASE SEEK ADVICE FROM AN INDEPENDENT INVESTMENT ADVISER.

The sharedealing service is provided for customers of Norwich and Peterborough Building Society (N&P) by Jarvis Investment Management plc (Jarvis).

The sharedealing service is execution-only and the staff of N&P and Jarvis will not provide any advice. Jarvis provides dealing, clearing, settlement, nominee and custody services to customers introduced through firms such as N&P. Jarvis assumes full legal responsibility for trades and responsibility for settlement and the transfer of stock from seller to buyer. Both N&P and Jarvis are participants in the Financial Services Compensation Scheme. Jarvis is a member of the London Stock Exchange and a HM Revenue & Customs Approved ISA Manager. Registered in England with a company number 1844601, registered office is 78 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS.

Norwich and Peterborough Building Society is authorised and regulated by the Financial Services Authority and is a participant in the Financial Services Compensation Scheme. N&P provides advice on regulated and non-regulated products.

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