

## PERMANENT INTEREST BEARING SHARES – Q&A

### What are Permanent Interest Bearing Shares?

Permanent Interest Bearing Shares (PIBS) are securities previously issued by building societies, usually at fixed interest rates. PIBS constitute a form of capital for a Society and rank behind the claims of all depositors, payables and investing members of the Society. PIBS were largely used by building societies in the 1990s and 2000s to raise capital, as building societies are unable to issue ordinary shares on the stock market like a bank.

### Did The Nottingham ever issue PIBS?

The Nottingham has only ever issued PIBS once, in 2001 when £25m of PIBS were issued with a coupon of 7.875%.

### When do The Nottingham's PIBS mature?

Unlike other bonds, the PIBS issued by The Nottingham are perpetual. This means that the securities have no fixed maturity date. Some PIBS were issued with a call date, which would allow the issuer to redeem the PIBS on a specified date, but The Nottingham PIBS have no call date.

### Where can I find more specific information on The Nottingham's PIBS?

The PIBS Prospectus is available on our website and contains the terms that are specific to The Nottingham's PIBS. Within the Prospectus there is a section entitled special conditions of the issue of the PIBS which covers:

**Repayment and purchase** – the conditions under which The Nottingham is able to repay the PIBS including at the point of resolution or dissolution. This section also outlines that The Nottingham may purchase its own PIBS following prior Regulatory Supervisory Consent and that should such purchases be made via a tender, this would be open to all PIBS holders.

**Variations** – the requirements for amending the conditions of the PIBS, which includes the need to obtain consent from a proportion of PIBS holder representing at least three-quarters of the outstanding principal.

### Is The Nottingham planning to repay or vary the terms of its PIBS?

The PIBS represent a benefit to The Nottingham in as much as they are a form of capital. The form of this capital is changing, moving away from CET1 to Tier 2 and therefore the Society is cognisant of the cost of the relatively high interest payments against the benefit of the additional capital source of the PIBS.

The Nottingham will continuously review the benefit of having PIBS in issue and if any repayments were to occur in the future, these repayments would follow approval by the Regulator and be in line with the conditions as set out in the Prospectus.

### Who is responsible for managing The Nottingham's PIBS?

The Nottingham has appointed Equiniti as Registrar of its PIBS and they are responsible for maintaining the register of PIBS holders. If you have any queries concerning any of The Nottingham's PIBS you already own (for example a change of details), please contact Equiniti on the details below:

Equiniti  
Aspect House,  
Spencer Road,  
Lancing,  
West Sussex,  
BN99 6QQ  
[shareview.co.uk](http://shareview.co.uk)  
0371 384 2030

### Where can I purchase The Nottingham's PIBS?

The Nottingham's PIBS are tradable instruments and it does not directly deal with purchases of its PIBS, nor does The Nottingham provide any investment advice or pricing on these securities. Individuals should contact an appropriately qualified financial adviser to obtain advice regarding PIBS. Please also note that PIBS holders are not covered by the Financial Services Compensation Scheme.

Further general information on PIBS can be found on the Building Societies Association website.  
[bsa.org.uk/information/consumer-factsheets/general/what-are-pibs](http://bsa.org.uk/information/consumer-factsheets/general/what-are-pibs)