

2nd April 2019



Pound unfazed by Brexit battles.

The minority has its way

When Article 50 was triggered and the UK set in motion the process for leaving the EU, who would have anticipated that the Pound may have been the only calm voice of reason, having varied little against the Euro in the two years since Article 50 was signed.

Savers in the Family Building Society 'Brexit Bond' had the choice of predicting the difference in the value of the Pound against the Euro then, versus its value on 29 March 2019, the day the UK was originally due to exit the EU.

Society members who were optimistic about the Pound rising against the Euro exchange rate would receive a 2% bonus as well as 1% interest per annum; those who were pessimistic would receive a 2% bonus as well as 1% interest per annum.

With the Pound at 1.1605 against the Euro at midnight on 29 March 2019, having been at 1.1535 on the day before Article 50 was signed, the optimists were right to be hopeful.

Director of Business Development Keith Barber said: "When Article 50 was triggered no one could have predicted recent events and the turmoil that has been witnessed in the House of Commons. At the time, we gave savers the opportunity to vote with their wallets on the outcome of the Brexit negotiations and how the Pound would fare along the way.

"Savers in our Brexit Optimist Bond were proved right in predicting the Pound would strengthen against the Euro and they receive a 2% bonus on top of the standard 1%.

"44% of Family Building Society members who took out a Brexit Bond were optimistic that the Pound would rise, whilst 56% were pessimistic and felt the Pound would fall. Given the significant majority who felt the Pound would fall against the Euro, it appears that for once the minority have had their way!"

Savers who do not benefit from the bonus will still earn 1% interest per annum on their bond. There is automatic reinvestment on maturity into the easy access variable rate Market Tracker Saver, offered by Family Building Society.

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Notes to Editors

The £ to € exchange rate

The Pound:Euro exchange rate published by the Bank of England for 28 March 2017 was UK £1.00 = Euro €1.1535.

To determine whether the 2% bonus interest is paid we use the Pound:Euro exchange rate published by the Bank of England for 29 March 2019 which was the original date when the UK was due to exit the EU. As the UK has not left the EU by 29 March 2019, we'll still use 29 March 2019 as the date for determining whether the 2% bonus interest is paid.

The Bank of England publishes its daily spot exchange rate at around 4pm each day and these rates can be found at <http://www.bankofengland.co.uk/boeapps/iadb/Rates.asp>

The exchange rate offered by travel money bureaux may differ to the daily spot exchange rate published by the Bank of England.

Capital certainty throughout

Only the bonus interest is dependent on the Pound:Euro exchange rate. The money invested and the fixed interest rate of 1% per annum gross will not be affected by changes in this exchange rate.

About Family Building Society

The Family Building Society, launched in July 2014, is a trading name of National Counties Building Society.

1. National Counties Building Society is the UK's eleventh largest building society, with over 50,000 members and £2.2bn of assets. Operating from its head office in Epsom, Surrey, the Society employs approximately 150 people and offers a range of competitive savings and mortgage products throughout the UK.
2. National Counties Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
3. Eligible deposits with Family Building Society are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme.