



GIBRALTAR SAVINGS BANK

Children's Bond Account (Interest fixed at 5% per annum)

(Issued Under the Gibraltar Savings Bank Act)
Price of Issue 100 per cent

PROSPECTUS AND GENERAL CONDITIONS

The Gibraltar Savings Bank will accept applications for the investment of moneys in the Children's Bond Account on behalf of children born in Gibraltar and who are under the age of 10. Deposits must be a minimum of £10 or multiples thereof. The Children's Bond Account will be registered in the name of the child but all deposits, together with accrued interest thereon, will be held by the Bank until the child attains 18 years of age at which date the deposits together with accrued interest thereon shall be repaid to the registered bond holder.

The repayment of all moneys deposited in the Gibraltar Savings Bank, together with interest thereon, is guaranteed by the Government under the Gibraltar Savings Bank Act.

The Director, Gibraltar Savings Bank reserves the right to reject the whole or any part of any offer to lend.

The Children's Bond Account will pay interest on deposits at 5% per annum.

Interest payable on these bonds is exempt from income tax and will accrue from the actual date on which payment is received. The interest payable, which will be calculated at the end of each month, will be automatically reinvested on the first day of each month. Although these bonds are tax free, details on holdings may be provided to the Commissioner of Income Tax and the Director of Social Services for information purposes.

All deposits in the Children's Bond Account, plus accrued interest, will be held by the Gibraltar Savings Bank until the child's 18th birthday. Withdrawals before the child's 18th birthday will not be permitted.

From and after the date of the child's 18th birthday all interest on the principal monies represented by a bond shall cease and determine, whether payment of the principal monies shall have been demanded or not.

Bonds will not be issued in bearer form. Registration will, therefore, be the basis on which securities will be issued or transferred.

The list of applications will be opened and will remain open until such time as the Gibraltar Savings Bank may determine. Application forms, together with the terms and conditions of the bonds may be obtained at the Gibraltar Savings Bank, 206/210 Main Street.

Completed applications must be submitted to the Director, Gibraltar Savings Bank accompanied by the full amount of the bonds covered by the applications, which may take the form of cheques; Notice of Withdrawal from the Gibraltar Savings Bank; or debenture certificates with their pertinent Sale/Purchase/Transfer Forms where monies are transferred from other Gibraltar Savings Bank and/or Government Debenture issues. Cheques should be made payable to "Gibraltar Savings Bank". Proof of the personal identity of the child will be required. **The depositor on behalf of the child will also be required to provide personal identification details and proof of the source of funds.**

Annual statements showing the total sum held in the Children's Bond Account will be issued on 1 July each year or upon the request of the child's parent or legal guardian.

General Conditions Relating to Children's Bond Accounts Issued under the Savings Bank Act

1. Deposits must be at least £10 or multiples thereof.
2. The Director, Gibraltar Savings Bank shall cause every bond account to be registered in a register to be kept for that purpose.
3. All monies deposited in the bond account under the Gibraltar Savings Bank Act shall bear interest at such rate (or at such variable rate) as may be specified in the prospectus inviting subscriptions for that bond.
4. The interest on the principal money represented by the bond account shall accrue from the actual day that payment is received and shall be automatically reinvested on the first day of each month upon receipt of the interest.
5. From and after the date of the child's 18th birthday (redemption date of any bond), all interest on the principal monies represented by the bond amount shall cease and determine whether payment of the principal monies shall have been demanded or not.

**Director, Gibraltar Savings Bank
Gibraltar Savings Bank
206/210 Main Street
24 June 2013**