SUPPLEMENTARY PROSPECTUS DATED 11 NOVEMBER 2019

Yorkshire Building Society
(*incorporated in England and Wales under the Building Societies Act 1986, as amended*)
€7.5 billion
Global Covered Bond Programme unconditionally and irrevocably guaranteed as to payments of interest and principal by
Yorkshire Building Society Covered Bonds LLP
(a limited liability partnership incorporated in England and Wales)

This Supplement (the **Supplement**) to the Prospectus dated 17 July 2019 (the **Prospectus**), which comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 and is prepared in connection with the €7.5 billion Global Covered Bond Programme (the **Programme**) established by Yorkshire Building Society (the **Issuer**) and unconditionally and irrevocably guaranteed as to payments of interest and principal by Yorkshire Building Society Covered Bonds LLP. Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

This Supplement has been approved by the Financial Conduct Authority (the **FCA**) which is the competent authority for the purposes of the Prospectus Directive and relevant implementing measures in United Kingdom for the purposes of giving information with regard to the issue of instruments under the Programme.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of this Supplement

The purpose of this Supplement is to:

(a) incorporate by reference, the unaudited consolidated financial statements for the six months ended 30 June 2019; and

(b) update the risk factor entitled "*Political uncertainty*" on pages 46 and 47 of the Prospectus; and

(c) update the no significant or material change statement of the Issuer or the Group.

(a) Documents incorporated by reference

By virtue of this Supplement, the Issuer published its unaudited consolidated financial statements for the six months ended 30 June 2019 (the **Interim Financial Report 30 June 2019**). The unaudited consolidated financial statements for the six months ended 30 June 2019, together with notes to the interim financial report and the independent auditors' review thereon, as set out on pages 13 to 17, 18 to 32 and 34, respectively, of the Interim Financial Report 30 June 2019 have been previously published and filed with the FCA, shall be deemed to be incorporated in, and form part of, the Prospectus and supplement the section entitled "*Documents Incorporated by Reference*" on page 11 of the Prospectus.

Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement which this Supplement relates to.

(b) Risk Factor

The Risk Factor entitled "*Political uncertainty"* on pages 46 to 47 of the Prospectus is deleted and replaced in its entirety as set out below:

*"**Political uncertainty***

On 23 June 2016 the UK held a referendum on whether the UK should remain a member of the EU. The UK voted to leave the EU, the UK Government invoked Article 50 of the Lisbon Treaty and officially notified the EU of its decision to withdraw from the EU. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU (the "**article 50 withdrawal agreement**").

The article 50 withdrawal agreement has not yet been ratified by the UK or the European Union. In October 2019, the parties have agreed to a third extended time line which allows for ratification to take place any time prior to 31 January 2020. However, it remains uncertain whether the article 50 withdrawal agreement, or any alternative agreement, will be ratified by the UK and EU ahead of the deadline. If that deadline of 31 January 2020 is not met, unless the negotiation period is further extended or the Article 50 notification revoked, the Treaty on the European Union and the Treaty on the Functioning of the EU will cease to apply to the UK and the UK will lose access to the EU single market. Whilst continuing to discuss the article 50 withdrawal agreement and political declaration, the UK Government has commenced preparations for a "hard" Brexit (or "no-deal" Brexit) to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book after any exit without a transitional period. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a 'hard' Brexit.

Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, it is not possible to determine the precise impact on general economic conditions in the UK (including on the performance of the UK housing market) and/or on the business of the Issuer or any other party to the Transaction Documents.

Prospective investors should also note that the regulatory position of the Covered Bonds may be affected as a result of regulatory requirements (including provisions made in the EU covered bond reform package, as to which please see "*Regulatory treatment of covered bonds*") which restrict the availability of preferential treatment (including with respect to investment limits, regulatory capital and liquidity standards) to covered bonds issued by a credit institution with its registered office in an EEA state and subject to continued supervision by the relevant designated competent authority in the EEA.

It is uncertain whether such preferential treatment will remain available in respect of the Covered Bonds following the departure of the UK from the EU and this will depend in part on the terms of the UK's exit. Investors in the Covered Bonds are responsible for analysing their own regulatory position and none of the

Issuer or the Arrangers make any representation to any prospective investor regarding the regulatory treatment of their investment at the time of investment or at any time in the future.

In addition, future UK political developments, including, but not limited to, the UK's withdrawal from the EU and/or any changes in government structure and policies, could affect the fiscal, monetary and regulatory landscape to which the Issuer is subject and also therefore its financing availability and terms. Consequently no assurance can be given that the Issuer's operating results, financial condition and prospects would not be adversely impacted as a result.

In addition, the UK Government has devolved to the Scottish Parliament additional legislative powers previously reserved to the UK Parliament under the Scotland Act 2016 which came into force on 23 March 2016 and which devolves, amongst other things, control of income tax to the Scottish Parliament by giving it the power to raise or lower the rate of income tax and thresholds for non-dividend and non-savings income of Scottish residents. Whilst the majority of the provisions are not expected to have an adverse impact on the Scottish economy or on mortgage origination in Scotland, the Scottish Parliament has confirmed that the rates and thresholds for income tax that will apply to the non-savings and non-dividend income of Scottish taxpayers from 6 April 2018 will, for the first time, differ from those applied throughout the rest of the UK. The higher and additional rates of tax have both been increased. In addition, the basic rate of tax has now also been split into three tiers (a starter rate, a basic rate and an intermediate rate). The changes mean that certain taxpayers in Scotland will now pay a higher level of tax than borrowers in the same income bracket in England and Wales. This may affect some borrowers' ability to pay amounts when due on the mortgage loans originated in Scotland which, in turn, may adversely affect the ability of the issuer to make payments under the Covered Bonds.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Covered Bonds and/or the market value or liquidity of the Covered Bonds in the secondary market."

(b) General Information

Significant or Material Change

The paragraph "*Significant or Material Change*" on page 228 of the Prospectus shall be deemed deleted and replaced with the following paragraph:

There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2019 or of the LLP since 31 December 2018 being the date of the last audited non-consolidated annual accounts of the LLP. There has been no material adverse change in the financial position or the prospects of the Issuer or the Group since 31 December 2018 being the date of the last published audited consolidated financial statements or of the LLP since 31 December 2018 being the date of the last audited non-consolidated annual accounts of the LLP.

If the documents which are incorporated by reference in the Prospectus by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Prospectus by virtue of this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements referred to in (a) above will prevail.

Save as disclosed in this Supplement and any other supplements to the Prospectus previously issued by the Issuer, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

This Supplement will be published on the website of the London Stock Exchange. The Issuer and the LLP will provide, without charge, to each person to whom a copy of this Supplement has been delivered, upon the request of such person, a copy of any or all of the documents which are incorporated in whole or in part by reference herein or in the Prospectus. Written requests for such documents should be directed to the Issuer, Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ, and marked for the attention of Treasury or (as applicable) the LLP, at its office set out in the Prospectus. Copies of all documents incorporated by reference in this Supplement can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.

The date of this Supplement is 11 November 2019.