

## FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes, from 1 January 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

11 September 2017

### Yorkshire Building Society

issue of

**£300,000,000 Fixed Rate Reset Tier 2 Subordinated Notes due 2028**

**under the £5,000,000,000 Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 28 June 2017 (the **Prospectus**) and the supplement dated 4 September 2017 to the Prospectus, which together constitute a prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. This document must be read in conjunction with the Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. Copies of the Prospectus and the supplement to the Prospectus are available for viewing at the office of the Issuer at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ and copies may be obtained from the Principal Paying Agent at 8 Canada Square, London E14 5HQ. The Prospectus has been published on the website of the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

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|----|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i) Series Number:                                                           | 221                                                                                                                                                                              |
|    | (ii) Tranche Number:                                                         | 1                                                                                                                                                                                |
|    | (iii) Date on which the Notes will be consolidated and form a single Series: | Not Applicable                                                                                                                                                                   |
| 2. | Specified Currency or Currencies:                                            | Pounds sterling (£)                                                                                                                                                              |
| 3. | Aggregate Nominal Amount:                                                    |                                                                                                                                                                                  |
|    | — Series:                                                                    | £300,000,000                                                                                                                                                                     |
|    | — Tranche:                                                                   | £300,000,000                                                                                                                                                                     |
| 4. | Issue Price of Tranche:                                                      | 99.389 per cent. of the Aggregate Nominal Amount                                                                                                                                 |
| 5. | (i) Specified Denominations:                                                 | £100,000 and integral multiples of £1,000 in excess thereof up to (and including) £199,000. No Notes in definitive form will be issued with a denomination higher than £199,000. |

	(ii) Calculation Amount:	£1,000
6.	(i) Issue Date:	13 September 2017
	(ii) Interest Commencement Date:	Issue Date
7.	Maturity Date:	13 September 2028
8.	Interest Basis:	Reset (further particulars specified below)
9.	Redemption/Payment Basis:	Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their nominal amount
10.	Change of Interest Basis:	Not Applicable
11.	Put/Call Options:	Issuer Call (further particulars specified below)
12.	(i) Status of the Notes:	Subordinated
	(ii) Date Committee approval for issuance of Notes obtained:	30 August 2017

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13.	<b>Fixed Rate Note Provisions</b>	Not Applicable
14.	<b>Floating Rate Note Provisions</b>	Not Applicable
15.	<b>Reset Note Provisions</b>	Applicable
	(i) Initial Rate of Interest:	3.375 per cent. per annum payable annually in arrear on each Interest Payment Date from (and including) 13 September 2018 up to (and including) the First Reset Date
	(ii) First Margin:	+ 2.3175 per cent. per annum
	(iii) Subsequent Margin:	Not Applicable
	(iv) Interest Payment Date(s):	13 September in each year from (and including) 13 September 2018 up to (and including) the Maturity Date
	(v) Fixed Coupon Amount to (but excluding) the First Reset Date:	£33.75 per Calculation Amount
	(vi) Broken Amount(s):	Not Applicable
	(vii) Reset Reference Rate:	Mid-Swaps
	(viii) First Reset Date:	13 September 2027
	(ix) Second Reset Date:	Not Applicable

(x) Subsequent Reset Date(s):	Not Applicable
(xi) Relevant Screen Page:	Bloomberg page “BPSW1 CMPL”
(xii) Mid-Swap Rate:	Single Mid-Swap Rate
(xiii) Mid-Swap Maturity:	6 months
(xiv) Reference Bond Reset Rate Time:	Not Applicable
(xv) Reference Bond Price in respect of the first Reset Determination Date:	Not Applicable
(xvi) Fixed Leg Swap Duration:	6 months
(xvii) Day Count Fraction:	Actual/Actual (ICMA) (Determination Dates: 13 September in each year)
(xviii) Reset Determination Date(s):	Second Reset Business Day prior to the First Reset Date
(xix) Business Centre(s):	London
(xx) Calculation Agent:	Agent

16. **Zero Coupon Note Provisions** Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

17. Notice periods for:	
(i) Condition 6(b)	Minimum period: 30 days Maximum period: 60 days
(ii) Condition 6(e)	Minimum period: 30 days Maximum period: 60 days
18. Issuer Call:	Applicable
(i) Optional Redemption Date(s):	13 September 2027
(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	£1,000 per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	Not Applicable
(b) Maximum Redemption Amount:	Not Applicable
(iv) Notice periods:	Minimum period: 30 days Maximum period: 60 days
19. Regulatory Event (Subordinated Notes only):	Full or Partial Exclusion
20. Investor Put:	Not Applicable

21. Final Redemption Amount of each Note: £1,000 per Calculation Amount
22. Early Redemption Amount payable on redemption for taxation reasons, (in the case of Subordinated Notes) for regulatory reasons or on event of default: £1,000 per Calculation Amount

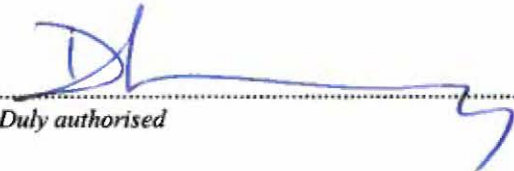
**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only upon an Exchange Event including the exchange event described in paragraph (c) of the definition in the Permanent Global Note.
24. New Global Note (NGN): Yes
25. Additional Financial Centre(s): Not Applicable
26. Talons for future Coupons to be attached to Definitive Notes : No

**THIRD PARTY INFORMATION**

Not Applicable

Signed on behalf of **Yorkshire Building Society**:

By  .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and listing on the Official List of the UK Listing Authority with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: £3,600

### 2. RATINGS

Ratings: The Notes to be issued are expected to be rated:

Fitch: BBB+

Moody's: Baa2

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

### 4. YIELD (*Fixed Rate Notes Only*)

Indication of Yield: 3.448 per cent. per annum up to (but excluding) the First Reset Date

The yield is calculated on the basis of the Rate of Interest applicable up to (but excluding) the First Reset Date and the Issue Price as at the Issue Date. It is not an indication of future yield.

### 5. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)

Not Applicable

### 6. OPERATIONAL INFORMATION

- (i) ISIN: XS1681849300
- (ii) Common Code: 168184930
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

(vi) Intended to be held in a manner which would allow Eurosystem eligibility:

No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## 7. DISTRIBUTION

(i) Method of distribution:

Syndicated

(ii) If syndicated, names of Managers:

HSBC Bank plc  
The Royal Bank of Scotland plc (trading as NatWest Markets)  
UBS Limited

(iii) Date of Syndication Agreement:

11 September 2017

(iv) If non-syndicated, name of relevant Dealer:

Not Applicable

(v) U.S. Selling Restrictions:

Reg. S Compliance Category 2; TEFRA D

(vi) Prohibition of Sales to EEA Retail Investors:

Applicable