

RNS Number : 1094Y
Yorkshire Building Society
02 May 2023

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA OR THE DISTRICT OF COLUMBIA (THE UNITED STATES) OR IN OR INTO ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT.

Yorkshire Building Society announces Tender Offer in respect of its £275,000,000 Senior Non-Preferred Reset Notes due 2025 (ISIN: XS1982838275) and proposed issue of new notes

2 May 2023. Yorkshire Building Society (the **Society**) announces today an invitation to eligible holders of its outstanding £275,000,000 Senior Non-Preferred Reset Notes due 2025 (ISIN: XS1982838275) (the **Notes**) to tender any and all of their Notes for purchase by the Society for cash (the **Offer**), subject to the satisfaction of the New Financing Condition (as defined below).

The Offer is being made on the terms and subject to the conditions (including the New Financing Condition) contained in a tender offer memorandum dated 2 May 2023 (the **Tender Offer Memorandum**) prepared by the Society, and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender and Information Agent as set out below. Capitalised terms used in this announcement but not defined herein have the meanings given to them in the Tender Offer Memorandum.

Summary of the Offer

Description of the Notes	ISIN / Common Code	Outstanding Nominal Amount	First Reset Date	Benchmark Security	Purchase Spread	Amount subject to the Offer
Senior Non-Preferred Reset Notes due 2025	XS1982838275 / 198283827	£275,000,000	18 April 2024	UKT 1% due 22 April 2024 (ISIN: GB00BFWFPL34)	140 bps	Any and all

Rationale for the Offer

The purpose of the Offer is to provide liquidity to holders and it is being made as part of the Society's active management of its liability profile whilst issuing New Notes (as defined below). The Society will continue to manage its outstanding liabilities for value, including but not limited to economic considerations, current and future regulatory value, relative funding cost, rating agency considerations, regulatory developments and having regard to the prevailing circumstances at the relevant time.

Notes purchased by the Society pursuant to the Offer are expected to be cancelled and will not be re-issued or re-sold. Notes which have not been validly submitted and/or accepted for purchase pursuant to the Offer will remain outstanding.

Purchase Price and Accrued Interest

The Society will pay for any Notes validly tendered and accepted for purchase by it pursuant to the Offer a purchase price (the **Purchase Price**) to be determined at or around 11.00 a.m. (London time) on 11 May 2023 (the **Pricing Time**) in the manner described in the Tender Offer Memorandum by reference to the annualised sum (such annualised sum, the **Purchase Yield**) of (i) the purchase spread of 140 bps (the **Purchase Spread**) and (ii) the Benchmark Security Rate.

The Purchase Price will be determined in accordance with market convention and expressed as a percentage of the nominal amount of the Notes accepted for purchase pursuant to the Offer (rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards), and is intended to reflect a yield to the First Reset Date (being 18 April 2024) of the Notes on the Settlement Date equal to the Purchase Yield. Specifically, the Purchase Price will equal (a) the value of all remaining payments of principal and interest on the Notes up to and including the First Reset Date, assuming all the Notes were redeemed at their nominal amount on such date, discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) Accrued Interest.

The calculation of the Purchase Price will be determined by the Dealer Managers (in consultation with the Society) at the Pricing Time and such calculation will be final and binding on the relevant Noteholders, absent manifest error.

The Society will also pay an Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer.

New Financing Condition

The Society announced on 2 May 2023 its intention to issue new sterling denominated senior non-preferred notes (the **New Notes**). Whether the Society will accept for purchase any Notes validly tendered in the Offer and complete the Offer is subject, without limitation, to the successful completion (in the sole determination of the Society) of the issue of the New Notes (the **New Financing Condition**).

The Society is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Society of Notes tendered pursuant to the Offer is at the sole discretion of the Society and tenders may be rejected by the Society for any reason.

Allocation of the New Notes

When considering allocation of the New Notes, the Society may give preference to those Noteholders who, prior to such allocation, have validly tendered (or, if the New Issue Pricing Time occurs prior to the Expiration Deadline, have given a firm indication to the Society or any Dealer Manager that they intend to tender) their Notes pursuant to the Offer. Therefore, a Noteholder who wishes to subscribe for New Notes in addition to tendering its Notes for purchase pursuant to the Offer may be eligible to receive, at the sole and absolute discretion of the Society, priority in the allocation of the New Notes, subject to the issue of the New Notes and such Noteholder making a separate application for the purchase of such New Notes to a Dealer Manager (in its capacity as a joint lead manager of the issue of the New Notes) in accordance with the standard new issue procedures of such joint lead manager. However, the Society is not obliged to allocate the New Notes to a Noteholder who has validly tendered or indicated a firm intention to tender the Notes pursuant to the Offer and, if New Notes are allocated, the nominal amount thereof may be less or more than the nominal amount of Notes tendered by such holder and accepted by the Society pursuant to the Offer.

All allocations of the New Notes, while being considered by the Society as set out above, will be made in accordance with customary new issue allocation processes and procedures. In the event that a Noteholder validly tenders Notes pursuant to the Offer, such Notes will remain subject to such tender and the conditions of the Offer as set out in this announcement and the Tender Offer Memorandum irrespective of whether that Noteholder receives all, part or none of any allocation of New Notes for which it has applied.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and the Accrued Interest Payment pursuant to, the Offer, Noteholders must validly tender their Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender and Information Agent by 4.00 p.m. (London time) on 10 May 2023 (unless extended, re-opened, amended and/or terminated as provided in the Tender Offer Memorandum) (the **Expiration Deadline**).

Tender Instructions will be irrevocable except in the limited circumstances described in "*Amendment and Termination*" in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of Notes of no less than £100,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of £1,000 thereafter.

Indicative timetable for the Offer

The following sets out the expected times and dates of the key events relating to the Offer. The times and dates below are indicative only and subject to change.

Events

Times and Dates

(All times are London time)

Commencement of the Offer

Announcement of Offer. Tender Offer Memorandum available from the Tender and Information Agent. Commencement of the tender offer period. 2 May 2023

Expiration Deadline*

Final deadline for receipt of valid Tender Instructions by the Tender and Information Agent in order for Noteholders to be able to participate in the Offer. 4.00 p.m. on 10 May 2023

Pricing Time

Determination of the Benchmark Security Rate and calculation of the Purchase Yield and the Purchase Price. At or around 11.00 a.m. on 11 May 2023

Announcement of Results

Announcement of (i) whether the Society will accept (subject to satisfaction or waiver of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes for purchase pursuant to the Offer and, if so accepted, (ii) the aggregate nominal amount of the Notes accepted for purchase and (iii) the Benchmark Security Rate, the Purchase Yield and the Purchase Price. As soon as reasonably practicable following the Pricing Time

Settlement Date

Subject to satisfaction or waiver of the New Financing Condition on or prior to such date, payment of the Purchase Price and the Accrued Interest Payment in respect of the Notes accepted for purchase. 15 May 2023

** Noteholders should note that the New Issue Pricing Time may fall prior to or after the Expiration Deadline.*

The Society may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum) and the above times and dates are subject to the right of the Society to so extend, re-open, amend and/or terminate the Offer.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in this announcement and

the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above. For further information, see the section "Procedures for Participating in the Offer" of the Tender Offer Memorandum.

Announcements

Unless stated otherwise, announcements in connection with the Offer will be made by the Society by (i) publication through RNS; and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made (a) on the relevant Reuters Insider Screen and/or (b) by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender and Information Agent, the contact details for which are set out below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender and Information Agent for the relevant announcements during the course of the Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details below.

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for, participating in the Offer.

Further information

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender and Information Agent, the contact details for which are set out below:

DEALER MANAGERS

Barclays Bank PLC

1 Churchill Place
London E14 5HP
United Kingdom

Telephone: +44 20 3134 8515
Attention: Liability Management Group
Email: eu.lm@barclays.com

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Telephone: +44 20 7992 6237
Attention: Liability Management, DCM
Email: LM_EMEA@hsbc.com

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Telephone: +44 20 7678 5222
Attention: Liability Management
Email: liabilitymanagement@natwestmarkets.com

UBS AG London Branch

5 Broadgate
London EC2M 2QS
United Kingdom

Telephone: +44 20 7568 1121
Attention: Liability Management Group
Email: ol-liabilitymanagement-eu@ubs.com

TENDER AND INFORMATION AGENT

Kroll Issuer Services Limited

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Telephone: +44 20 7704 0880
Attention: Owen Morris
Email: ybs@is.kroll.com

MARKET ABUSE REGULATION

This announcement is released by Yorkshire Building Society and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the EUWA) (UK MAR), encompassing information relating to the Offer and proposed new issue of Notes described above. For the purposes of UK MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, this announcement is made by Duncan Asker, Director of Treasury of Yorkshire Building Society.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the contents of the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer. None of the Society, the Dealer Managers or the Tender and Information Agent or any of their respective directors, officers, employees, agents, advisers or affiliates has made or will make any assessment of the merits and risks of the Offer or of the impact of the Offer on the interests of Noteholders either as a class or individuals, and none of them makes any recommendation whether Noteholders should tender Notes pursuant to the Offer. None of the Society, the Dealer Managers or the Tender and Information Agent (or any of their respective directors, officers, employees, agents, advisers or affiliates) is providing Noteholders with any legal, business, tax, financial, investment, accounting or other advice in this announcement and/or the Tender Offer Memorandum and/or in connection with the Offer. Noteholders should consult with their own advisers as they consider appropriate to assist them in taking decisions with respect to the Offer, including to determine whether they are legally permitted to tender Notes pursuant to the Offer.

OFFER AND DISTRIBUTION RESTRICTIONS

This announcement and the Tender Offer Memorandum do not constitute an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and the Tender Offer Memorandum comes are required by each of the Society, the Dealer Managers and the Tender and Information Agent to inform themselves about, and to observe, any such restrictions.

No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities and the minimum denomination of the New Notes will be £100,000 and integral multiples of £1,000.

United States: The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement and the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by, or by any person acting for the account or benefit of, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Neither this announcement nor the Tender Offer Memorandum is an offer to buy or sell, or a solicitation of an offer to sell or buy, any Notes or other securities in the United States. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes

have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S of the Securities Act).

Each holder of Notes participating in the Offer will represent that it is not located in the United States and it is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above two paragraphs, **United States** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Italy: None of the Offer, this announcement and the Tender Offer Memorandum or any other documents or materials relating to the Offer has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy (**Italy**) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Noteholders or beneficial owners of the Notes that are located in Italy may tender their Notes in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes and/or the Offer.

United Kingdom: This announcement and the Tender Offer Memorandum have been issued by Yorkshire Building Society of Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ, United Kingdom, which is authorised by the Prudential Regulation Authority (the **PRA**) and regulated by the PRA and the Financial Conduct Authority (the **FCA**). This announcement is directed, and the Tender Offer Memorandum is being distributed, only to existing holders of the Notes, and is only addressed to such existing holders in the United Kingdom where they would (if they were clients of the Society) be *per se* professional clients or *per se* eligible counterparties of the Society within the meaning of the FCA rules. Neither this announcement nor the Tender Offer Memorandum is addressed to or directed at any persons who would be retail clients within the meaning of the FCA rules and any such persons should not act or rely on it. Recipients of this announcement and the Tender Offer Memorandum should note that the Society is acting on its own account in relation to the Offer and will not be responsible to any other person for providing the protections which would be afforded to clients of the Society or for providing advice in relation to the Offer.

In addition, the communication of this announcement and the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to, and may only be acted upon by, those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (together, **relevant persons**). Any investment or investment activity to which this announcement and the Tender Offer Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons (and is subject to other restrictions referred to in the Financial Promotion Order).

France: The Tender Offer Memorandum, this announcement and any other document or material relating to the Offer have only been and shall only be distributed in France to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129. The Tender Offer Memorandum and this announcement have not been nor will they be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Belgium: Neither this announcement nor the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten / Autorité des services et marchés financiers*) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement nor the Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account. Insofar as Belgium is concerned, this announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose

of the Offer. Accordingly, the information contained in this announcement and the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

Switzerland: None of the Tender Offer Memorandum, this announcement or any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland.

None of the Tender Offer Memorandum, this announcement or any other offering or marketing material relating to the Notes have been, or will be, filed with or approved by any Swiss regulatory authority.

None of the Tender Offer Memorandum, this announcement or any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Tender Offer Memorandum is personal to the recipient only and not for general circulation in Switzerland.

General: Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and any Dealer Manager or any of its respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Society in such jurisdiction.

New Notes: Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the base prospectus dated 31 March 2023 in connection with the Society's £5,000,000,000 Note Programme (the **Prospectus**) and the final terms in respect of the New Notes, pursuant to which the New Notes are intended to be issued, and no reliance is to be placed on any representations other than those contained in the Prospectus. Subject to compliance with all applicable securities laws and regulations, the Prospectus is expected to be available from the joint lead managers for the new issue on request. The New Notes are not being, and will not be, offered or sold in the United States. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the **Securities Act**). The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Compliance information for the New Notes: **MiFID II and UK MiFIR product governance** - eligible counterparties and professional clients only (all distribution channels). **PRIIPs Regulation and UK PRIIPs Regulation** - no sales to EEA or UK retail investors; no key information document has been or will be prepared.