

**SUPPLEMENTARY PROSPECTUS DATED 20 JUNE 2022
TO THE BASE PROSPECTUS DATED 10 DECEMBER 2021**



CLYDESDALE BANK PLC
(incorporated with limited liability in Scotland)

€7 billion
Global Covered Bond Programme unconditionally and irrevocably guaranteed as to payments of interest and principal by Eagle Place Covered Bonds LLP
(a limited liability partnership incorporated in England and Wales)

This Supplement (the "**Supplement**") to the Prospectus dated 10 December 2021 (the "**Prospectus**"), as supplemented by the supplementary prospectus dated 3 February 2022, which together comprise a base prospectus for the purposes of the UK Prospectus Regulation, constitutes a supplement to the base prospectus for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the €7 billion Global Covered Bond Programme (the "**Programme**") established by Clydesdale Bank PLC (the "**Issuer**") and unconditionally and irrevocably guaranteed as to payments of interest and principal by Eagle Place Covered Bonds LLP (the "**LLP**"). Terms defined in the Prospectus have the same meaning when used in this Supplement. When used in this Supplement, "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

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 as a supplementary prospectus by the Financial Conduct Authority (the "**FCA**"), as competent authority under the UK Prospectus Regulation, as a supplement to the Prospectus. The Prospectus constitutes a base prospectus prepared in compliance with the UK Prospectus Regulation for the purpose of giving information with regard to the issue of Covered Bonds under the Programme.

The Issuer and the LLP accept responsibility for the information contained in this Supplement. To the best of their knowledge the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect the import of such information.

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference into the Prospectus the following sections of the Issuer's 2022 Interim Financial Report in respect of the six months ended 31 March 2022 available at <https://www.virginmoneyukplc.com/downloads/pdf/cb-interim-financial-report-2022.pdf> which was published via the RNS on 5 May 2022:
 - (i) the section entitled "*Business and financial review*" on pages 1 to 3;
 - (ii) the section entitled "*Risk management*" on pages 4 to 46; and

- (iii) the independent auditor's review and the unaudited consolidated financial statements of the Issuer on pages 48 to 72; and
 - (iv) the section entitled "*Measuring financial performance - glossary*" and "*Glossary*" set out on pages 73 and 74,
- (the "**2022 Issuer Interim Results**");
- (b) include and/or update the following risk factors:
 - (i) update the risk factor entitled "*Risks relating to the impact of COVID-19*" on page 29 of the Prospectus;
 - (ii) include a new risk factor entitled "*Risks relating to the impacts of inflation and cost of living pressures*" on page 30 of the Prospectus;
 - (iii) update the risk factor entitled "*The Issuer is subject to risks arising from macro-economic conditions in the UK or globally*" on page 30 of the Prospectus; and
 - (iv) update the risk factor entitled "*The Group is subject to BoE oversight in respect of resolution, and the Group could be adversely affected should the BoE deem the Group's preparations to be inadequate*" on page 47 of the Prospectus;
 - (c) update the section entitled "*Board of Directors*" commencing on page 159 of the Prospectus;
 - (d) update the section entitled "*Regulatory Developments*" on pages 163 to 174 of the Prospectus; and
 - (e) update the section entitled "*Significant/Material Change*" on page 269 of the Prospectus.

For additional detail in respect of each of the amendments see below:

(a) Documents incorporated by reference

By virtue of this Supplement, the 2022 Issuer Interim Results (as defined above) shall be deemed to be incorporated in, and form part of, the Prospectus and the section entitled "*Information Incorporated by Reference*" on page 10 of the Prospectus shall be supplemented accordingly.

Any documents themselves incorporated by reference in the 2022 Issuer Interim Results shall not form part of the Prospectus, unless otherwise specified here.

Any information contained in any of the documents specified above which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in this Supplement.

(b) Amendments to the Risk Factors

- (i) The risk factor entitled "*2.1 Risks relating to the impact of COVID-19*" is deleted and replaced with the following:

"2.1 Risks relating to the impact of COVID-19

As the UK economy continues to recover from the COVID-19 pandemic, including the impacts of the Omicron variant which does not appear to have been as profound as had been anticipated, the outlook relative to COVID-19 continues to improve. Restrictions and controls are being relaxed enabling a gradual return to normality. Irrespective, the Issuer does however anticipate the emergence of some delayed COVID-19 impacts, particularly for its business portfolio. With

repayments of government support loans and accrued tax arrears falling due, combined with the stronger inflationary pressure seen recently, this could yet result in heightened pressure on cash flows leading to an increase in the level of defaults, impairments and losses which could have a material adverse impact on the Issuer's business and financial condition.”

- (ii) The following new risk factor is included as 2.2 before the risk factor "*The Issuer is subject to risks arising from macro-economic conditions in the UK or globally*" on page 30 of the Prospectus, and the risk factors are re-numbered accordingly:

“2.2 Risks relating to the impacts of inflation and cost of living pressures

The widespread and rapid increase in the cost of living across the UK has the potential to significantly impact the short to medium term performance of the Issuer's credit portfolios. In the current environment, with high inflation and rising costs for business and retail customers alike, the Issuer considers that there is likely to be a heightened risk relative to customers' resilience and debt affordability.

The Issuer's customers are largely UK based. Recent bank rate increases, concerns over energy prices, the increase to National Insurance contributions, and the headwinds from higher inflation, will all have an impact on household incomes in 2022. In addition, the cost of basic food, such as grains and cereals is also increasing, in part affected by the Russia-Ukraine conflict with a large proportion of the UK supply of these goods coming from Ukraine in particular.

This level of market volatility could potentially result in a heightened level of customer stress leading to default, which in turn could lead to material arrears and credit losses. There is also a risk to the Issuer's portfolio growth aspirations should consumer confidence deteriorate, or affordability pressures heighten. This has the potential to negatively impact the Issuer's performance.

Additional capital may be required by the Issuer to absorb the heightened levels of credit risk and any increase in impairment levels over time as a result of the current cost of living crisis, which could have a material adverse impact on the Issuer's business and financial condition.”

- (iii) The second paragraph of the risk factor entitled "*The Issuer is subject to risks arising from macro-economic conditions in the UK or globally*" is deleted and replaced with the following:

“The evolution of the geo-political environment including current risks around the situation in Ukraine could impact the UK economy. This, together with ongoing uncertainties around the potential impacts of the UK's withdrawal from the European Union (see "*Risks in relation to the UK's exit from the EU*" below), will affect the future performance of the UK economy and subsequently the banking industry and may have a material impact on business performance of the Issuer. The extent to which any individual event or a combination of these events will have an impact on the performance of the economy will evolve over the medium term.”

- (iv) The fifth paragraph of the risk factor entitled "*The Issuer is subject to risks arising from macro-economic conditions in the UK or globally*" is deleted and replaced with the following:

“In addition, changes in global economic conditions or circumstances (in particular in the Eurozone) may have secondary consequences that adversely impact the Group's results of operations and condition. For example, central banks around the world have made efforts to increase liquidity in the financial markets, by taking measures such as increasing the amounts they lend directly to financial institutions and lowering interest rates. However, it is not certain how long or on what terms these central bank schemes will continue. The Bank of England (the "**BoE**") has recently increased interest rates from historical lows. There is some market expectation that certain central banks, including the BoE, may tighten their monetary policy further to increase interest rates back to levels closer to

historical norms, however this is expected to occur over a number of years. A prolonged period of low interest rates carries the risk that market participants may take on or have taken on more risk than they expected in a "search for yield", leaving them exposed to an earlier or more rapid than expected tightening in monetary policy."

- (v) The risk factor entitled "4.4 *The Group is subject to BoE oversight in respect of resolution, and the Group could be adversely affected should the BoE deem the Group's preparations to be inadequate*" is deleted and replaced with the following:

"4.4 The Group is subject to BoE oversight in respect of resolution, and the Group could be adversely affected should the BoE deem the Group's preparations to be inadequate

The Banking Act and associated FCA and PRA rules contain requirements relating to recovery and resolution plans, early supervisory interventions and the resolution of firms (including the bail-in tool).

The BoE and the PRA rules on a resolvability assessment framework (the "**Resolvability Assessment Framework**") require the largest UK banks (including the Issuer) to perform an assessment of their preparations for resolution, in which they should identify any risks to successful resolution and the plans in place to address them, submit a report of that assessment to the BoE, and publish a summary of their most recent report. The initial report in respect of the Group was submitted to the PRA on 30 September 2021, and the Group's summary of this report and the BoE's assessment of the Group's preparations were released on 10 June 2022. See further "*Regulatory Developments – Prudential Regulation – Resolvability Assessment Framework*".

Although the BoE assessment confirms that it has not identified any shortcomings, deficiencies, or substantive impediments to the Issuer achieving the resolvability outcomes described in the RAF Statement of Policy "*The Bank of England's approach to assessing resolvability*" the BoE has identified several areas where further enhancements are required and the Group will be working to deliver such enhancements as it continues to develop and improve its resolvability capabilities. Complying with the Resolvability Assessment Framework and any possible regulatory or other actions deriving therefrom may affect the way in which the Issuer and/or the Group is perceived by the market, which in turn may affect the value of the Covered Bonds.

(c) Amendment to the section entitled "Board of Directors"

The section entitled "*Board of Directors*" commencing on page 159 of the Prospectus shall be amended by replacing the table with the following table:

Name	Position	Principal directorships / outside activities
David Bennett	Chairman	Allfunds Group plc Paypal (Europe) S.à.r.l et Cie S.C.A. Non-Executive Board member of The Department for Work & Pensions
David Duffy	Executive Director and Chief Executive Officer	UK Finance Limited HMT Fintech Envoy for England Board member of The Northern Powerhouse Partnership
Clifford Abrahams	Executive Director and Chief Financial Officer	None
Tim Wade	Senior Independent Non-Executive Director	RBC Europe Limited Chubb Underwriting Agencies Limited
Paul Coby**	Independent Non-Executive Director	Chief Information Officer of Johnson Matthey PLC

Name	Position	Principal directorships / outside activities
Geeta Gopalan	Independent Non-Executive Director	Wizink Bank S.A. Ultra Electronics Holdings PLC Funding Circle Holdings PLC Trustee of The Old Vic Theatre Trust 2000
Elena Novokreshchenova	Independent Non-Executive Director	None
Darren Pope	Independent Non-Executive Director	Network International Holdings PLC Non-Executive Chairman of Silicon Valley Bank UK Branch

** It was announced on 23 March 2022 that Paul Coby will be stepping down as a Non-Executive Director of the Issuer on 30 June 2022.

(d) Significant/Material Adverse Change

The paragraph headed "Significant/Material Change" on page 269 of the Prospectus is deleted in its entirety and replaced as follows:

"There has been no significant change in the financial performance or the financial position (a) of the Issuer or any of its subsidiaries (other than the LLP) since 31 March 2022, being the date to which the Issuer's last published financial statements were prepared or (b) of the LLP since 30 September 2021 being the date of the last audited non-consolidated financial statements of the LLP. There has been no material adverse change in the prospects (a) of the Issuer or any of its subsidiaries (other than the LLP) since 30 September 2021 being the date to which the Issuer's last published audited financial statements were prepared or (b) of the LLP since 30 September 2021, being the date of the last audited non-consolidated financial statements of the LLP."

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 supplement 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 and be available at <https://www.virginmoneyukplc.com/investor-relations/>. 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. Copies of all documents incorporated by reference in this Supplement may (a) be inspected, free of charge during normal business hours on weekdays at the registered office of the Issuer at 30 St Vincent Place, Glasgow G1 2HL, United Kingdom or (b) 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>.

Clydesdale Bank PLC's website is <https://www.virginmoneyukplc.com/investor-relations/>. The information on these websites or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Supplement and investors should not rely on it.