Yorkshire BUILDING SOCIETY Covered Bond Programme

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: December 2018

Administration

Name of issuer	Yorkshire Building Society
Name of RCB programme	Yorkshire Building Society €7.5 billion Global Covered Bond Programme
Name, job title and contact details of person validating this form	Richard Driver, Secured Funding Manager, rjdriver@ybs.co.uk
Date of form submission	21/01/2019
Start Date of reporting period	01/12/2018
End Date of reporting period	31/12/2018
Web links - prospectus, transaction documents, loan-level data	http://www.ybs.co.uk/your-society/treasury/wholesale_funding/covered-bonds/reports.html

Counterparties, Ratings

	Counterparty/ies	Fitch		Moody's	
		Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds		-	AAA	-	Aaa
Issuer	Yorkshire Building Society	-	A-/F1	-	A3/P-2
Seller(s)	Yorkshire Building Society	< BBB-, < F2	A-/F1	< Baa3, < P-2	A3/P-2
Cash Manager	Yorkshire Building Society	< BBB-	A-/F1	<Baa1, < Baa3	A3/P-2
Back-up Cash Manager	n/a	-	-	-	-
Account Bank	Yorkshire Building Society	< F1	A-/F1	< P-1	A3/P-2
Stand-by Account Bank	HSBC Bank plc	< F1	AA-/F1+	< P-1	Aa2/P-1
Servicer(s)	Yorkshire Building Society	< BBB-	A-/F1	<Baa1, < Baa3	A3/P-2
Back-up Servicer(s)	n/a	-	-	-	-
Interest Rate Swap Provider	Yorkshire Building Society	< F3/BBB-	A-/F1	< P-2/A3	A3/P-2
Swap notional amount(s) (GBP)	3,059,678,734				
Swap notional maturity/ies	Loan balance zero				
LLP receive rate/margin	2.00%				
LLP pay rate/margin	2.21%				
Collateral posting amount(s) (GBP)	0				

Accounts, Ledgers

	Value as of End Date of reporting period	Value as of Start Date of reporting period	TARGETED VALUE
Revenue receipts / ledger			
Beg Balance	0	n/a	n/a
Third party payments	(100)	n/a	n/a
Interest on Mortgages	5,971,788	n/a	n/a
Interest on GIC	39,311	n/a	n/a
Interest on Sub Assets	0	n/a	n/a
Interest on Authorised Investments	0	n/a	n/a
Transfer from Coupon payment ledger	0	n/a	n/a
Other Revenue	0	n/a	n/a
Amounts transferred from / (to) Reserve Fund	0	n/a	n/a
Cash Capital Contribution deemed to be revenue	0	n/a	n/a
Net interest from / (to) Interest Rate Swap Provider	(595,700)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(1,998,475)	n/a	n/a
Pre-funding of monthly swap payments / other payments	(589,772)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Deferred Consideration	(2,827,052)	n/a	n/a
Closing Balance	0	n/a	n/a
Principal receipts / ledger			
Beg Balance	0	n/a	n/a
Principal repayments under mortgages	70,310,677	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(99,253,149)	n/a	n/a
Cash Captial Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	772,141	n/a	n/a
Principal payments to Covered Bonds Swap Providers	0	n/a	n/a
Principal paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Capital Distribution	28,170,331	n/a	n/a
Closing Balance	0	n/a	n/a
Reserve receipts / ledger			
Beg Balance	6,519,251	n/a	n/a
Transfers to GIC	0	n/a	n/a
Interest on GIC	0	n/a	n/a
Reserve Required Amount movement	0	n/a	n/a
Transfers from GIC	0	n/a	n/a
Closing Balance	6,519,251	n/a	6,128,624
Capital Account receipts / ledger			
Beg Balance	1,302,979,682	n/a	n/a
Increase in loan balance due to Capitalised interest	0	n/a	n/a
Increase in loan balance due to Further Advances	2,077,906	n/a	n/a
Increase in loan balance due to insurance & fees	103,452	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	28,170,331	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,333,331,372	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,737,882,207	Adjusted current balance
B	70,310,677	Principal collections not yet applied
C	0	Qualifying additional collateral
D	0	Substitute assets
E	n/a	Proceeds of sold mortgage loans
V	n/a	Set-off offset loans
W	n/a	Personal secured loans
X	n/a	Flexible draw capacity
Y	165,183,427	Set-off
Z	72,794,322	Negative carry
Total: A + B + C + D - (Y + Z)	2,570,215,136	
Method Used for Calculating "A" (note 1)	A (ii)	
Asset Percentage (%)	88.00%	
Maximum asset percentage from Fitch (%)	88.00%	
Maximum asset percentage from Moody's (%)	90.50%	
Maximum asset percentage from S&P (%)	n/a	
Credit support as derived from ACT (GBP)	515,515,136	
Credit support as derived from ACT (%)	25.1%	

Note 1

(i) Adjusted True Balance less deemed reductions. (ii) Arrears Adjusted True Balance less deemed Reductions multiplied by the Asset Percentage

Programme-Level Characteristics

Programme Currency	EUR
Programme size	7,500,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	2,054,700,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	2,290,260,000
Cover pool balance (GBP)	3,112,330,927
GIC account balance (GBP)	83,376,057
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	883,394,173
Aggregate deposits attaching to the cover pool (GBP)	165,183,427
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	163,033,193
Nominal level of overcollateralisation (GBP)	1,057,630,927
Nominal level of overcollateralisation (%)	151.5%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,112,330,927
Number of Mortgages in Pool	27,353
Average loan balance (GBP)	113,784
Weighted average indexed LTV (%)	47.24
Weighted average non-indexed LTV (%)	55.78
Weighted average seasoning (months)	78.30
Weighted average remaining term (months)	215.70
Weighted average interest rate (%)	2.57
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (%, current month)	21.44
Constant Pre-Payment Rate (%, quarterly average)	13.14
Principal Payment Rate (%, current month)	26.51
Principal Payment Rate (%, quarterly average)	16.62
Constant Default Rate (%, current month)	0
Constant Default Rate (%, quarterly average)	0
Fitch Discontinuity Factor (%)	4 (moderate risk)
Moody's Timely Payment Indicator	Probable
Moody's Collateral Score (%)	5.0 / 2.6

Mortgage Collections

Mortgage collections (scheduled - interest)	5,971,788
Mortgage collections (scheduled - principal)	13,526,769
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	56,783,909

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	382	95.26%	48,649,337	98.44%
Loans bought back by seller(s)	19	4.74%	771,898	1.56%
of which are non-performing loans	0	0.00%	0	0.00%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	0	n/a	0	n/a

Product Rate Type and Reversionary Profiles

					Weighted average				
	Number	% of total number	Amount (GBP)	% of total amount	Current rate	Remaining teaser period (month)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR	19,498	71.28%	2,529,175,584	81.26%	2.43%	25.1	0.00%	0.00%	
Fixed at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Fixed at origination, reverting to tracker	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Fixed for life	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Tracker at origination, reverting to SVR	6	0.02%	1,274,190	0.04%	1.65%	-	0.90%	0.00%	
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Tracker for life	3,478	12.72%	252,758,908	8.12%	2.41%	-	1.70%	1.70%	
SVR, including discount to SVR	4,371	15.98%	329,122,246	10.57%	3.79%	-	-0.87%	0.03%	
Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Total	**27,353**	**100.00%**	**3,112,330,927**	**100.00%**					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	27,143	99.23%	3,094,708,588	99.43%
0-1 month in arrears	125	0.46%	10,742,106	0.35%
1-2 months in arrears (greater than 1 month, includes 2 months)	39	0.14%	3,086,295	0.10%
2-3 months in arrears (greater than 2 months, includes 3 months)	32	0.12%	2,814,056	0.09%
3-6 months in arrears (greater than 3 month, includes 6 months)	14	0.05%	979,881	0.03%
6-12 months in arrears (greater than 6 months, includes 12 months)	0	0.00%	0	0.00%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	15,420	56.37%	1,116,697,980	35.88%
50-55%	1,877	6.86%	272,712,846	8.76%
55-60%	2,054	7.51%	331,167,716	10.64%
60-65%	1,845	6.75%	314,456,977	10.10%
65-70%	1,599	5.85%	286,965,316	9.22%
70-75%	1,352	4.94%	238,108,099	7.65%
75-80%	1,264	4.62%	208,589,469	6.70%
80-85%	1,091	3.99%	193,484,039	6.22%
85-90%	566	2.07%	99,741,104	3.20%
90-95%	231	0.84%	41,784,037	1.34%
95-100%	49	0.18%	7,906,751	0.25%
100-105%	5	0.02%	716,593	0.02%
105-110%	0	0.00%	0	0.00%
110-125%	0	0.00%	0	0.00%
125%+	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,267	70.44%	1,690,004,688	54.30%
50-55%	1,831	6.69%	302,427,713	9.72%
55-60%	1,623	5.93%	280,953,349	9.03%
60-65%	1,421	5.20%	255,611,318	8.21%
65-70%	1,149	4.20%	196,958,814	6.33%
70-75%	869	3.18%	151,010,117	4.85%
75-80%	576	2.11%	106,979,073	3.44%
80-85%	367	1.34%	76,933,288	2.47%
85-90%	185	0.68%	36,713,346	1.18%
90-95%	65	0.24%	14,739,221	0.47%
95-100%	0	0.00%	0	0.00%
100-105%	0	0.00%	0	0.00%
105-110%	0	0.00%	0	0.00%
110-125%	0	0.00%	0	0.00%
125%+	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	964	3.52%	1,696,800	0.05%
5,000-10,000	687	2.51%	5,191,747	0.17%
10,000-25,000	2,465	9.01%	43,611,928	1.40%
25,000-50,000	4,148	15.16%	154,659,908	4.97%
50,000-75,000	3,860	14.11%	241,010,355	7.74%
75,000-100,000	3,441	12.58%	300,297,050	9.65%
100,000-150,000	5,000	18.28%	614,256,173	19.74%
150,000-200,000	2,700	9.87%	465,155,939	14.95%
200,000-250,000	1,510	5.52%	336,272,115	10.80%
250,000-300,000	873	3.19%	238,595,158	7.67%
300,000-350,000	577	2.11%	187,009,920	6.01%
350,000-400,000	379	1.39%	141,010,741	4.53%
400,000-450,000	275	1.01%	116,208,963	3.73%
450,000-500,000	173	0.63%	82,092,276	2.64%
500,000-600,000	171	0.63%	93,129,412	2.99%
600,000-700,000	76	0.28%	49,050,795	1.58%
700,000-800,000	34	0.12%	25,102,940	0.81%
800,000-900,000	10	0.04%	8,485,511	0.27%
900,000-1,000,000	10	0.04%	9,493,196	0.31%
1,000,000 +	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	738	2.70%	86,596,378	2.78%
East Midlands	1,339	4.90%	151,946,238	4.88%
Greater London	2,310	8.45%	545,616,234	17.53%
Northern Ireland	158	0.58%	14,650,155	0.47%
North	1,533	5.60%	124,123,775	3.99%
North West	4,412	16.13%	391,482,110	12.58%
Scotland	3,399	12.43%	311,333,832	10.00%
South East	3,091	11.30%	526,231,441	16.91%
South West	1,262	4.61%	155,842,387	5.01%
Wales	1,167	4.27%	99,738,536	3.20%
West Midlands	1,526	5.58%	173,970,670	5.59%
Yorkshire and Humberside	6,418	23.46%	530,799,173	17.05%
Other	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	17,459	63.83%	2,094,465,176	67.30%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,179	4.31%	134,471,578	4.32%
Offset	8,715	31.86%	883,394,173	28.38%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Seasoning	**Number**	**% of total number**	**Amount (GBP)**	**% of total amount**
0-12 months	681	2.49%	153,744,733	4.94%
12-24 months	1,270	4.64%	271,392,119	8.72%
24-36 months	1,748	6.39%	331,715,193	10.66%
36-48 months	2,122	7.76%	372,164,363	11.96%
48-60 months	4,474	16.36%	708,467,112	22.76%
60-72 months	866	3.17%	120,248,722	3.86%
72-84 months	507	1.85%	63,494,009	2.04%
84-96 months	633	2.31%	72,759,405	2.34%
96-108 months	1,004	3.67%	108,099,516	3.47%
108-120 months	599	2.19%	57,194,726	1.84%
120-150 months	4,475	16.36%	381,589,427	12.26%
150-180 months	4,114	15.04%	257,762,661	8.28%
180+ months	4,860	17.77%	213,698,943	6.87%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Interest payment type	**Number**	**% of total number**	**Amount (GBP)**	**% of total amount**
Fixed	19,498	71.28%	2,529,175,584	81.26%
SVR	4,371	15.98%	329,122,246	10.57%
Tracker	3,484	12.74%	254,033,098	8.16%
Other (please specify)	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Loan purpose type	**Number**	**% of total number**	**Amount (GBP)**	**% of total amount**
Owner-occupied	27,353	100.00%	3,112,330,927	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Income verification type	**Number**	**% of total number**	**Amount (GBP)**	**% of total amount**
Fully verified	27,353	100.00%	3,112,330,927	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Remaining term of loan	**Number**	**% of total number**	**Amount (GBP)**	**% of total amount**
0-30 months	1,128	4.12%	29,478,490	0.95%
30-60 months	2,025	7.40%	73,623,299	2.37%
60-120 months	6,232	22.78%	366,247,525	11.77%
120-180 months	6,510	23.80%	654,653,192	21.03%
180-240 months	4,650	17.00%	679,239,957	21.82%
240-300 months	4,135	15.12%	766,634,013	24.63%
300-360 months	1,815	6.64%	366,459,913	11.77%
360+ months	858	3.14%	175,994,537	5.65%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Employment status	**Number**	**% of total number**	**Amount (GBP)**	**% of total amount**
Employed	20,111	73.52%	2,673,615,886	85.90%
Self-employed	805	2.94%	123,661,719	3.97%
Unemployed	69	0.25%	5,106,526	0.16%
Retired	283	1.03%	13,523,322	0.43%
Guarantor	0	0.00%	0	0.00%
Other	6,085	22.25%	296,423,474	9.52%
Total	**27,353**	**100.00%**	**£ 3,112,330,927**	**100.00%**

Covered Bonds Outstanding, Associated Derivatives (please disclose for all bonds outstanding)

Series	9	10	11	12	13
Issue date	11/06/14	19/06/15	10/11/15	11/04/17	19/11/18
Original rating (Moody's/Fitch)	Aa1/AA+	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Current rating (Moody's/Fitch)	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Denomination	EUR	EUR	EUR	EUR	GBP
Amount at issuance	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Amount outstanding	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
FX swap rate (rate:£1)	1.230	1.372	1.401	1.172	n/a
Maturity type (hard/soft-bullet/pass-through)	soft-bullet	soft-bullet	soft-bullet	soft-bullet	soft-bullet
Scheduled final maturity date	11/06/21	19/06/20	10/11/22	11/04/23	20/11/23
Legal final maturity date	11/06/22	19/06/21	10/11/23	11/04/24	19/11/24
ISIN	XS1076256400	XS1248340587	XS1318364731	XS1594364033	XS1910867081
Stock exchange listing	London	London	London	London	London
Coupon payment frequency	Annual	Annual	Annual	Annual	Quarterly
Coupon payment date	11th	19th	10th	11th	19th
Coupon (rate if fixed, margin and reference rate if floating)	1.250%	0.500%	0.750%	0.375%	0.600% / SONIA
Margin payable under extended maturity period (%)	0.220%	0.040%	0.250%	0.100%	0.600%
Swap counterparty/ies	Natixis	HSBC Bank Plc	HSBC Bank Plc	Natixis	n/a
Swap notional denomination	EUR	EUR	EUR	EUR	n/a
Swap notional amount	500,000,000	500,000,000	500,000,000	500,000,000	n/a
Swap notional maturity	11/06/21	19/06/20	10/11/22	11/04/23	n/a
LLP receive rate/margin	1.250%	0.500%	0.750%	0.375%	n/a
LLP pay rate/margin	0.6% / 3m Libor	0.445% / 3m Libor	0.799% / 3m Libor	0.6325% / 3m Libor	n/a
Collateral posting amount	0	0	0	0	n/a

Programme triggers

Counterparty / Events	Summary of Event	Trigger (Moody's, Fitch; short-term, long-term)	Trigger breached (yes/no)	Consequence of a trigger breach
Issuer Event of Default	Issuer failure to pay, insolvency, etc	Issuer failure to pay, insolvency, etc	No	Triggers a Notice to Pay on the LLP
Seller / Transfer of Legal Title	Seller long term ratings fall below Trigger	Long term: Baa3 (Moody's), BBB- (Fitch)	No	Details of the Borrowers with Loans to be delivered to the LLP, the Security Trustee (upon request) and the Rating Agencies
Seller / CB Collection Account	Seller long term ratings fall below Trigger	Short term: P-2 (Moody's), F2 (Fitch)	No	Set up a separate CB Collection Account
Account Bank	Account Bank long and short term ratings fall below Trigger	Short term: P-1 (Moody's), F1 (Fitch)	Yes	GIC Account and Transaction account to be closed with the credit transferred to the Stand-by GIC Account and Stand-by Transaction Account
Stand-by Account Bank	Standby Account Bank long and short term ratings fall below Trigger	Short term: P-1 (Moody's), F1 (Fitch)	No	Move to higher rated bank/guarantee required
Servicer (appointment of Back-up Servicer)	Servicer long term rating fall below Trigger	Long term: Baa1 (Moody's), BBB- (Fitch)	No	Appointment of the Back-up Servicer
Servicer (transfer servicing obiligation)	Servicer long term rating fall below Trigger	Long term: Baa3 (Moody's)	No	Transfer servicing obligation to the Back-up Servicer
Cash Manager (appointment of Back-up Cash Manager)	Cash Manager long term ratings fall below Trigger	Long term: Baa1 (Moody's)	No	Appointment of the Back-up Cash Manager
Cash Manager (transfer cash management obiligation)	Cash Manager long term ratings fall below Trigger	Long term: Baa3 (Moody's), BBB- (Fitch)	No	Transfer cash management obligation to the Back-up Cash Manager. The Asset Monitor to report on arithmetic accuracy of the Asset Coverage Test.
Cash Manager Relevant Event	Cash Manager long term ratings fall below Trigger	Long term: Baa1 (Moody's)	No	Seller to pre-fund the LLP with the coupon amount due in respect of the covered bonds
Interest Rate Swap Provider	Interest Rate Swap provider ratings fall below Trigger	Replacement Trigger Short term: P-2 (Moody's), F3(Fitch) Long term: A3 (Moody's), BBB- (Fitch)	No	Replace Interest Rate Swap Provider or procure co-obilgor or guarantee from sufficiently rated courterparty
Covered Bond Swap Provider - CB9	Covered Bond Swap Provider ratings fall below Trigger	Replacement Trigger Short term: P-2 (Moody's), F3 (Fitch) Long term: A3 (Moody's), BBB- (Fitch)	No	Replace Swap Provider with sufficiently rated counterparty
Covered Bond Swap Provider - CB10	Covered Bond Swap Provider ratings fall below Trigger	Replacement Trigger Short term: N/A (Moody's), F3 (Fitch) Long term: BBB- (Fitch), Counterparty Risk Assessment: Baa1 (Moody's)	No	Replace Swap Provider with sufficiently rated counterparty
Covered Bond Swap Provider - CB11	Covered Bond Swap Provider ratings fall below Trigger	Replacement Trigger Short term: N/A (Moody's), F3 (Fitch) Long term: BBB- (Fitch), Counterparty Risk Assessment: Baa1 (Moody's)	No	Replace Swap Provider with sufficiently rated counterparty
Covered Bond Swap Provider - CB12	Covered Bond Swap Provider ratings fall below Trigger	Replacement Trigger Short term: N/A (Moody's), F3 (Fitch) Long term: BBB- (Fitch), Counterparty Risk Assessment: Baa1 (Moody's)	No	Replace Swap Provider with sufficiently rated counterparty
LLP Event of Default	LLP failure to pay, Amortisation Test failure, etc	LLP failure to pay, Amortisation Test failure, etc	No	Bonds becoming immediately due and payable

Currency of assets

	Number	% of total number	Amount (GBP)	% of total amount
GBP	27,353	100.00%	£ 3,112,330,927	100.00%

Note 2

Non GBP bond issuance - all non GBP covered bonds are swapped back into GBP in line with rating agency criteria