

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: September 2016
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	21/10/2016
Start Date of reporting period	01/09/2016
End Date of reporting period	30/09/2016
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	-	Baa1/P2
Seller(s)	Yorkshire Building Society	< BBB-, < F2	A-/F1	< Baa3, < P-2	Baa1/P-2
Cash Manager	Yorkshire Building Society	< BBB-	A-/F1	<Baa1, < Baa3	Baa1/P-2
Back-up Cash Manager	n/a	-	-	-	-
Account Bank	Yorkshire Building Society	< F1	A-/F1	< P-1	Baa1/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	Baa1/P-2
Back-up Servicer(s)	n/a	-	-	-	-
Interest Rate Swap Provider	Yorkshire Building Society	< F3/BBB-	A-/F1	< P-2/A3	Baa1/P-2
Swap notional amount(s) (GBP)	3,251,393,741				
Swap notional maturity/ies	Loan balance zero				
LLP receive rate/margin	1.69%				
LLP pay rate/margin	2.97%				
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	7,647,109	n/a	n/a
Interest on GIC	1,693	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	(3,442,882)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,301,332)	n/a	n/a
Pre-funding of monthly swap payments / other payments	0	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Deferred Consideration	(1,904,488)	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	49,668,799	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	0	n/a	n/a
Cash Capital Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	3,989,935	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	(53,658,735)	n/a	n/a
Closing Balance	0	n/a	n/a
Reserve receipts / ledger			
Beg Balance	7,909,251	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	7,909,251	n/a	7,595,823
Capital Account receipts / ledger			
Beg Balance	1,476,410,497	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	2,232,636	n/a	n/a
Increase in loan balance due to insurance & fees	187,775	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	(53,658,735)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,425,172,174	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,904,146,368	Adjusted current balance
B	49,668,799	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	179,650,699	Set-off
Z	90,071,985	Negative carry
Total: A + B + C + D - (Y + Z)	2,684,092,483	
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 (%)		89.50%
Maximum asset percentage from S&P (%)		n/a
Credit support as derived from ACT (GBP)	806,092,483	
Credit support as derived from ACT (%)		42.9%

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

	EUR
Programme Currency	EUR
Programme size	7,500,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	1,878,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	2,046,225,000
Cover pool balance (GBP)	3,302,055,858
GIC account balance (GBP)	65,226,851
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,081,471,964
Aggregate deposits attaching to the cover pool (GBP)	179,650,699
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	176,532,799
Nominal level of overcollateralisation (GBP)	1,424,055,858
Nominal level of overcollateralisation (%)	175.8%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,302,055,858
Number of Mortgages in Pool	30,399
Average loan balance (GBP)	108,624
Weighted average indexed LTV (%)	48.81
Weighted average non-indexed LTV (%)	57.32
Weighted average seasoning (months)	73.82
Weighted average remaining term (months)	216.22
Weighted average interest rate (%)	3.10
Standard Variable Rate(s) (%)	4.74
Constant Pre-Payment Rate (% , current month)	13.15
Constant Pre-Payment Rate (% , quarterly average)	15.45
Principal Payment Rate (% , current month)	17.78
Principal Payment Rate (% , quarterly average)	20.00
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 / 3.1

Mortgage Collections

Mortgage collections (scheduled - interest)	7,647,109
Mortgage collections (scheduled - principal)	12,986,088
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	36,682,711

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	279	82.30%	27,000,092	87.22%
Loans bought back by seller(s)	60	17.70%	3,955,985	12.78%
of which are non-performing loans	2	3.33%	129,893	3.28%
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

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (month)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR	20,657	67.95%	2,598,165,593	78.68%	3.03%	24.49	0.01%	0.00%	
Fixed at origination, reverting to Libor	0	0.00%	0	0.00%	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%	0.00%	
Fixed for life	0	0.00%	0	0.00%	0.00%	0.00	0.00%	0.00%	
Tracker at origination, reverting to SVR	58	0.19%	9,787,455	0.30%	1.79%	3.49	1.47%	0.00%	
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0.00	0.00%	0.00%	
Tracker for life	4,869	16.02%	388,386,763	11.76%	2.37%	0.00	2.06%	2.06%	
SVR, including discount to SVR	4,815	15.84%	305,716,046	9.26%	4.74%	0.00	0.02%	0.02%	
Libor	0	0.00%	0	0.00%	0.00%	0.00	0.00%	0.00%	
Total	30,399	100.00%	£ 3,302,055,858	100.00%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	30,123	99.09%	3,276,694,539	99.23%
0-1 month in arrears	157	0.52%	13,434,336	0.41%
1-2 months in arrears (greater than 1 month, includes 2 months)	55	0.18%	5,048,348	0.15%
2-3 months in arrears (greater than 2 months, includes 3 months)	36	0.12%	4,413,927	0.13%
3-6 months in arrears (greater than 3 months, includes 6 months)	26	0.09%	2,334,815	0.07%
6-12 months in arrears (greater than 6 months, includes 12 months)	2	0.01%	129,893	0.00%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,099	52.96%	1,094,977,334	33.16%
50-55%	1,917	6.31%	260,430,910	7.89%
55-60%	2,174	7.15%	309,981,914	9.39%
60-65%	2,232	7.34%	343,563,649	10.40%
65-70%	2,334	7.68%	383,662,600	11.62%
70-75%	1,760	5.79%	291,916,930	8.84%
75-80%	1,262	4.15%	193,912,722	5.87%
80-85%	1,315	4.33%	216,040,737	6.54%
85-90%	872	2.87%	140,288,529	4.25%
90-95%	338	1.11%	51,759,230	1.57%
95-100%	74	0.24%	12,340,635	0.37%
100-105%	16	0.05%	2,054,690	0.06%
105-110%	1	0.00%	277,573	0.01%
110-125%	2	0.01%	306,117	0.01%
125%+	3	0.01%	542,288	0.02%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,651	64.64%	1,654,378,883	50.10%
50-55%	2,206	7.26%	346,932,929	10.51%
55-60%	2,066	6.80%	320,429,964	9.70%
60-65%	1,791	5.89%	276,591,544	8.38%
65-70%	1,454	4.78%	226,830,579	6.87%
70-75%	1,214	3.99%	190,219,631	5.76%
75-80%	1,023	3.37%	146,425,345	4.43%
80-85%	643	2.12%	90,717,206	2.75%
85-90%	220	0.72%	30,830,066	0.93%
90-95%	72	0.24%	9,385,216	0.28%
95-100%	32	0.11%	4,973,856	0.15%
100-105%	18	0.06%	2,958,215	0.09%
105-110%	6	0.02%	766,360	0.02%
110-125%	3	0.01%	616,062	0.02%
125%+	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	996	3.28%	1,824,235	0.06%
5,000-10,000	676	2.22%	5,183,264	0.16%
10,000-25,000	2,680	8.82%	48,009,990	1.45%
25,000-50,000	4,802	15.80%	179,869,709	5.45%
50,000-75,000	4,539	14.93%	283,492,691	8.59%
75,000-100,000	4,000	13.16%	348,886,535	10.57%
100,000-150,000	5,834	19.19%	715,490,795	21.67%
150,000-200,000	2,955	9.72%	507,534,952	15.37%
200,000-250,000	1,582	5.20%	351,984,641	10.66%
250,000-300,000	868	2.86%	237,153,641	7.18%
300,000-350,000	503	1.65%	162,230,806	4.91%
350,000-400,000	308	1.01%	114,981,508	3.48%
400,000-450,000	196	0.64%	83,261,774	2.52%
450,000-500,000	150	0.49%	70,898,263	2.15%
500,000-600,000	165	0.54%	89,966,273	2.72%
600,000-700,000	97	0.32%	62,496,539	1.89%
700,000-800,000	24	0.08%	17,847,724	0.54%
800,000-900,000	18	0.06%	15,253,432	0.46%
900,000-1,000,000	6	0.02%	5,689,086	0.17%
1,000,000 +	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	860	2.83%	100,116,648	3.03%
East Midlands	1,458	4.80%	159,153,866	4.82%
Greater London	2,441	8.03%	541,364,615	16.39%
Northern Ireland	181	0.60%	17,737,547	0.54%
North	1,769	5.82%	141,800,731	4.29%
North West	4,944	16.26%	431,236,822	13.06%
Scotland	3,732	12.28%	333,106,482	10.09%
South East	3,475	11.43%	549,923,767	16.65%
South West	1,389	4.57%	158,620,152	4.80%
Wales	1,321	4.35%	112,853,878	3.42%
West Midlands	1,593	5.24%	172,269,144	5.22%
Yorkshire and Humberside	7,236	23.80%	583,872,206	17.68%
Other	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,149	59.70%	2,006,229,667	60.76%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,884	6.20%	214,354,227	6.49%
Offset	10,366	34.10%	1,081,471,964	32.75%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	0	0.00%	0	0.00%
12-24 months	2,676	8.80%	507,733,258	15.38%
24-36 months	5,566	18.31%	1,010,286,147	30.60%
36-48 months	380	1.25%	47,939,413	1.45%
48-60 months	1,079	3.55%	154,607,789	4.68%
60-72 months	1,104	3.63%	141,447,243	4.28%
72-84 months	1,003	3.30%	113,336,149	3.43%
84-96 months	868	2.86%	90,100,193	2.73%
96-108 months	1,751	5.76%	183,914,483	5.57%
108-120 months	3,051	10.04%	276,013,377	8.36%
120-150 months	5,858	19.27%	424,453,044	12.85%
150-180 months	5,902	19.42%	298,397,149	9.04%
180+ months	1,161	3.82%	53,827,612	1.63%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	20,657	67.95%	2,598,165,593	78.68%
SVR	4,815	15.84%	305,716,046	9.26%
Tracker	4,927	16.21%	398,174,218	12.06%
Other (please specify)	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	30,399	100.00%	3,302,055,858	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	30,399	100.00%	3,302,055,858	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,239	4.08%	33,736,607	1.02%
30-60 months	1,792	5.89%	71,014,631	2.15%
60-120 months	5,608	18.45%	328,687,405	9.95%
120-180 months	8,445	27.78%	729,376,623	22.09%
180-240 months	5,685	18.70%	768,807,836	23.29%
240-300 months	4,884	16.07%	871,687,802	26.40%
300-360 months	1,875	6.17%	336,372,380	10.19%
360+ months	871	2.87%	162,072,573	4.91%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	20,839	68.55%	2,697,268,591	81.68%
Self-employed	910	2.99%	141,509,905	4.29%
Unemployed	80	0.26%	6,364,851	0.19%
Retired	351	1.15%	17,386,333	0.53%
Guarantor	0	0.00%	0	0.00%
Other	8,219	27.04%	439,526,178	13.31%
Total	30,399	100.00%	£ 3,302,055,858	100.00%

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

Series	7	9	10	11
Issue date	12/04/11	11/06/14	19/06/15	10/11/15
Original rating (Moody's/SP/Fitch/DBRS)	Aa1/AAA	Aa1/AA+	Aaa/AAA	Aaa/AAA
Current rating (Moody's/SP/Fitch/DBRS)	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Denomination	GBP	EUR	EUR	EUR
Amount at issuance	750,000,000	500,000,000	500,000,000	500,000,000
Amount outstanding	750,000,000	500,000,000	500,000,000	500,000,000
FX swap rate (rate:€1)	n/a	1.230	1.372	1.401
Maturity type (hard/soft-bullet/pass-through)	soft-bullet	soft-bullet	soft-bullet	soft-bullet
Scheduled final maturity date	12/04/18	11/06/21	19/06/20	10/11/22
Legal final maturity date	12/04/19	11/06/22	19/06/21	10/11/23
ISIN	XS0616210752	XS1076256400	XS1248340587	XS1318364731
Stock exchange listing	London	London	London	London
Coupon payment frequency	Annual	Annual	Annual	Annual
Coupon payment date	12th	11th	19th	10th
Coupon (rate if fixed, margin and reference rate if floating)	4.750%	1.250%	0.500%	0.750%
Margin payable under extended maturity period (%)	1.275%	0.220%	0.040%	0.250%
Swap counterparty/ies	HSBC Bank Plc	Natixis	HSBC Bank Plc	HSBC Bank Plc
Swap notional denomination	GBP	EUR	EUR	EUR
Swap notional amount	750,000,000	500,000,000	500,000,000	500,000,000
Swap notional maturity	12/04/18	11/06/21	19/06/20	10/11/22
LLP receive rate/margin	4.750%	1.250%	0.500%	0.750%
LLP pay rate/margin	1.495% / 3m Libor	0.6% / 3m Libor	0.445% / 3m Libor	0.799% / 3m Libor
Collateral posting amount	0	0	0	0

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 obligation)	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 obligation)	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-obligor or guarantee from sufficiently rated counterparty
Covered Bond Swap Provider - CB7	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 - 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: Baa1 (Moody's), BBB- (Fitch)	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: Baa1 (Moody's), BBB- (Fitch)	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