Yorkshire Building Society Covered Bond Programme

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: December 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	21/01/2017
Start Date of reporting period	01/12/2016
End Date of reporting period	31/12/2016
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)	3,044,346,950				
Swap notional maturity/ies	Loan balance zero				
LLP receive rate/margin	1.57%				
LLP pay rate/margin	2.91%				
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	(11,104)	n/a	n/a
Interest on Mortgages	7,199,415	n/a	n/a
Interest on GIC	426	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	(3,097,354)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,186,641)	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	(1,904,741)	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	58,741,431	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(99,871,917)	n/a	n/a
Cash Captial Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	1,225,286	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	39,905,199	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	7,032,422
Capital Account receipts / ledger			
Beg Balance	1,296,521,820	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	1,842,486	n/a	n/a
Increase in loan balance due to insurance & fees	194,769	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	39,905,199	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,338,464,275	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,738,547,842	Adjusted current balance
B	58,741,431	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	176,965,525	Set-off
Z	83,609,816	Negative carry
Total: A + B + C + D - (Y + Z)	2,536,713,932	
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)	658,713,932	
Credit support as derived from ACT (%)	35.1%	

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)	1,878,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	2,031,375,000
Cover pool balance (GBP)	3,114,417,220
GIC account balance (GBP)	73,850,523
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,024,542,546
Aggregate deposits attaching to the cover pool (GBP)	176,965,525
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	174,255,662
Nominal level of overcollateralisation (GBP)	1,236,417,220
Nominal level of overcollateralisation (%)	165.8%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,114,417,220
Number of Mortgages in Pool	29,168
Average loan balance (GBP)	106,775
Weighted average indexed LTV (%)	47.24
Weighted average non-indexed LTV (%)	56.67
Weighted average seasoning (months)	77.20
Weighted average remaining term (months)	212.94
Weighted average interest rate (%)	3.03
Standard Variable Rate(s) (%)	4.74
Constant Pre-Payment Rate (%, current month)	17.50
Constant Pre-Payment Rate (%, quarterly average)	16.32
Principal Payment Rate (%, current month)	22.21
Principal Payment Rate (%, quarterly average)	20.97
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)	7,199,415
Mortgage collections (scheduled - principal)	12,510,234
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	46,231,197

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	330	93.22%	39,462,583	96.99%
Loans bought back by seller(s)	24	6.78%	1,226,438	3.01%
of which are non-performing loans	1	4.17%	55,191	4.50%
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	19,717	67.60%	2,439,286,271	78.32%	2.93%	25.45	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	44	0.15%	9,239,780	0.30%	1.52%	12.05	-0.56%	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	4,651	15.95%	366,719,334	11.77%	2.34%	0.00	2.04%	2.04%	
SVR, including discount to SVR	4,756	16.31%	299,171,835	9.61%	4.74%	0.00	0.02%	0.01%	
Libor	0	0.00%	0	0.00%	0.00%	0.00	0.00%	0.00%	
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	28,906	99.10%	3,090,428,944	99.23%
0-1 month in arrears	141	0.48%	13,028,962	0.42%
1-2 months in arrears (greater than 1 month, includes 2 months)	52	0.18%	4,668,846	0.15%
2-3 months in arrears (greater than 2 months, includes 3 months)	35	0.12%	3,134,896	0.10%
3-6 months in arrears (greater than 3 month, includes 6 months)	33	0.11%	3,100,381	0.10%
6-12 months in arrears (greater than 6 months, includes 12 months)	1	0.00%	55,191	0.00%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	15,809	54.20%	1,071,502,093	34.40%
50-55%	1,892	6.49%	252,220,146	8.10%
55-60%	2,120	7.27%	305,417,673	9.81%
60-65%	2,067	7.09%	310,656,280	9.97%
65-70%	2,223	7.62%	370,645,688	11.90%
70-75%	1,523	5.22%	244,681,911	7.86%
75-80%	1,228	4.21%	191,528,701	6.15%
80-85%	1,202	4.12%	194,438,875	6.24%
85-90%	724	2.48%	114,448,731	3.67%
90-95%	291	1.00%	44,294,104	1.42%
95-100%	72	0.25%	12,100,176	0.39%
100-105%	12	0.04%	1,577,677	0.05%
105-110%	1	0.00%	277,393	0.01%
110-125%	1	0.00%	86,327	0.00%
125%+	3	0.01%	541,444	0.02%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,668	67.43%	1,674,467,499	53.77%
50-55%	2,097	7.19%	324,359,653	10.41%
55-60%	1,953	6.70%	299,151,072	9.61%
60-65%	1,605	5.50%	248,166,466	7.97%
65-70%	1,267	4.34%	194,490,043	6.24%
70-75%	1,118	3.83%	167,023,551	5.36%
75-80%	808	2.77%	114,216,216	3.67%
80-85%	433	1.48%	61,789,531	1.98%
85-90%	138	0.47%	18,663,785	0.60%
90-95%	42	0.14%	5,532,502	0.18%
95-100%	23	0.08%	4,177,024	0.13%
100-105%	12	0.04%	1,748,331	0.06%
105-110%	3	0.01%	377,221	0.01%
110-125%	1	0.00%	254,324	0.01%
125%+	0	0.00%	0	0.00%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	979	3.36%	1,788,624	0.06%
5,000-10,000	681	2.33%	5,182,066	0.17%
10,000-25,000	2,661	9.12%	47,798,763	1.53%
25,000-50,000	4,676	16.03%	175,171,535	5.62%
50,000-75,000	4,389	15.05%	273,619,125	8.79%
75,000-100,000	3,820	13.10%	333,280,892	10.70%
100,000-150,000	5,546	19.01%	679,339,060	21.81%
150,000-200,000	2,785	9.55%	478,394,586	15.36%
200,000-250,000	1,455	4.99%	323,223,510	10.38%
250,000-300,000	826	2.83%	225,748,790	7.25%
300,000-350,000	466	1.60%	150,468,062	4.83%
350,000-400,000	287	0.98%	107,204,131	3.44%
400,000-450,000	189	0.65%	80,620,728	2.59%
450,000-500,000	132	0.45%	62,479,449	2.01%
500,000-600,000	150	0.51%	82,081,907	2.64%
600,000-700,000	82	0.28%	52,706,055	1.69%
700,000-800,000	23	0.08%	17,062,587	0.55%
800,000-900,000	16	0.05%	13,482,784	0.43%
900,000-1,000,000	5	0.02%	4,764,566	0.15%
1,000,000 +	0	0.00%	0	0.00%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	828	2.84%	94,003,103	3.02%
East Midlands	1,407	4.82%	150,975,157	4.85%
Greater London	2,289	7.85%	500,215,634	16.06%
Northern Ireland	175	0.60%	16,866,179	0.54%
North	1,709	5.86%	134,282,856	4.31%
North West	4,738	16.24%	407,127,149	13.07%
Scotland	3,606	12.36%	317,160,318	10.18%
South East	3,309	11.34%	516,421,401	16.58%
South West	1,336	4.58%	150,834,348	4.84%
Wales	1,259	4.32%	105,758,259	3.40%
West Midlands	1,538	5.27%	163,513,884	5.25%
Yorkshire and Humberside	6,974	23.91%	557,258,930	17.89%
Other	0	0.00%	0	0.00%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	17,392	59.63%	1,889,986,672	60.69%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,768	6.06%	199,888,002	6.42%
Offset	10,008	34.31%	1,024,542,546	32.90%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	0	0.00%	0	0.00%
12-24 months	1,231	4.22%	239,598,077	7.69%
24-36 months	5,807	19.91%	1,041,764,917	33.45%
36-48 months	1,220	4.18%	194,379,171	6.24%
48-60 months	655	2.25%	95,556,541	3.07%
60-72 months	792	2.72%	101,425,313	3.26%
72-84 months	1,330	4.56%	156,162,940	5.01%
84-96 months	753	2.58%	78,021,059	2.51%
96-108 months	1,378	4.72%	145,994,914	4.69%
108-120 months	2,724	9.34%	254,670,037	8.18%
120-150 months	6,054	20.76%	447,339,952	14.36%
150-180 months	5,569	19.09%	284,548,780	9.14%
180+ months	1,655	5.67%	74,955,519	2.41%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	19,717	67.60%	2,439,286,271	78.32%
SVR	4,756	16.31%	299,171,835	9.61%
Tracker	4,673	16.02%	372,085,824	11.95%
Other (please specify)	22	0.08%	3,873,290.32	0.12%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	29,168	100.00%	3,114,417,220	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	29,168	100.00%	3,114,417,220	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,230	4.22%	32,163,237	1.03%
30-60 months	1,788	6.13%	70,437,223	2.26%
60-120 months	5,701	19.55%	331,715,815	10.65%
120-180 months	8,193	28.09%	718,307,462	23.06%
180-240 months	5,303	18.18%	720,522,672	23.14%
240-300 months	4,503	15.44%	796,858,014	25.59%
300-360 months	1,684	5.77%	302,276,417	9.71%
360+ months	766	2.63%	142,136,381	4.56%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**100.00%**

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	19,955	68.41%	2,539,667,861	81.55%
Self-employed	871	2.99%	133,554,325	4.29%
Unemployed	78	0.27%	6,082,931	0.20%
Retired	336	1.15%	16,336,515	0.52%
Guarantor	0	0.00%	0	0.00%
Other	7,928	27.18%	418,775,588	13.45%
Total	**29,168**	**100.00%**	**£ 3,114,417,220**	**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/S&P/Fitch/DBRS)	Aa1/AAA	Aa1/AA+	Aaa/AAA	Aaa/AAA
Current rating (Moody's/S&P/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 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 - 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