

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: January 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	21/02/2018
Start Date of reporting period	01/01/2018
End Date of reporting period	31/01/2018
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)	3,240,489,364				
Swap notional maturity/ies	Loan balance zero				
LLP receive rate/margin	1.68%				
LLP pay rate/margin	2.36%				
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	(6,100)	n/a	n/a
Interest on Mortgages	6,544,302	n/a	n/a
Interest on GIC	14,413	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	(410,000)	n/a	n/a
Cash Capital Contribution deemed to be revenue	0	n/a	n/a
Net interest from / (to) Interest Rate Swap Provider	(1,856,257)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,791,354)	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	(1,495,005)	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	44,482,714	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	2,016,980	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	(46,499,694)	n/a	n/a
Closing Balance	0	n/a	n/a
Reserve receipts / ledger			
Beg Balance	8,409,251	n/a	n/a
Transfers to GIC	0	n/a	n/a
Interest on GIC	0	n/a	n/a
Reserve Required Amount movement	410,000	n/a	n/a
Transfers from GIC	0	n/a	n/a
Closing Balance	8,819,251	n/a	8,812,422
Capital Account receipts / ledger			
Beg Balance	1,394,247,673	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	1,615,069	n/a	n/a
Increase in loan balance due to insurance & fees	138,163	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	(46,499,694)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,349,501,211	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,839,309,519	Adjusted current balance
B	44,482,714	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	166,670,154	Set-off
Z	82,171,024	Negative carry
Total: A + B + C + D - (Y + Z)	2,634,951,055	
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)	330,251,055	
Credit support as derived from ACT (%)	14.3%	

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)	2,304,700,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	2,506,300,000
Cover pool balance (GBP)	3,223,857,463
GIC account balance (GBP)	59,450,680
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	972,789,699
Aggregate deposits attaching to the cover pool (GBP)	166,670,154
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	164,171,900
Nominal level of overcollateralisation (GBP)	919,157,463
Nominal level of overcollateralisation (%)	139.9%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,223,857,463
Number of Mortgages in Pool	28,701
Average loan balance (GBP)	112,326
Weighted average indexed LTV (%)	47.21
Weighted average non-indexed LTV (%)	56.21
Weighted average seasoning (months)	76.24
Weighted average remaining term (months)	214.79
Weighted average interest rate (%)	2.73
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% , current month)	11.38
Constant Pre-Payment Rate (% , quarterly average)	14.57
Principal Payment Rate (% , current month)	16.31
Principal Payment Rate (% , quarterly average)	19.47
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)	6,544,302
Mortgage collections (scheduled - principal)	13,406,688
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	31,076,026

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	265	91.38%	27,737,725	93.02%
Loans bought back by seller(s)	25	8.62%	2,082,774	6.98%
of which are non-performing loans	1	4.00%	247,075	11.86%
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	20,572	71.68%	2,645,507,688	82.06%	2.61%	20.0	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	52	0.18%	14,203,606	0.44%	1.33%	1.3	0.83%	0.00%	
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Tracker for life	3,962	13.80%	299,614,408	9.29%	2.34%	-	1.85%	1.85%	
SVR, including discount to SVR	4,115	14.34%	264,531,761	8.21%	4.37%	-	-0.62%	0.00%	
Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Total	28,701	100.00%	£ 3,223,857,463	100.00%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	28,491	99.27%	3,205,732,710	99.44%
0-1 month in arrears	127	0.44%	10,931,355	0.34%
1-2 months in arrears (greater than 1 month, includes 2 months)	46	0.16%	3,813,997	0.12%
2-3 months in arrears (greater than 2 months, includes 3 months)	21	0.07%	1,901,246	0.06%
3-6 months in arrears (greater than 3 months, includes 6 months)	15	0.05%	1,231,080	0.04%
6-12 months in arrears (greater than 6 months, includes 12 months)	1	0.00%	247,075	0.01%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	15,712	54.74%	1,123,892,120	34.86%
50-55%	1,938	6.75%	266,962,427	8.28%
55-60%	2,133	7.43%	345,681,128	10.72%
60-65%	2,100	7.32%	335,666,125	10.41%
65-70%	1,988	6.93%	347,108,977	10.77%
70-75%	1,300	4.53%	219,636,334	6.81%
75-80%	1,372	4.78%	222,249,099	6.89%
80-85%	1,190	4.15%	204,140,260	6.33%
85-90%	708	2.47%	118,423,951	3.67%
90-95%	198	0.69%	29,940,630	0.93%
95-100%	54	0.19%	8,938,828	0.28%
100-105%	6	0.02%	719,754	0.02%
105-110%	1	0.00%	270,009	0.01%
110-125%	0	0.00%	0	0.00%
125%+	1	0.00%	227,823	0.01%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,711	68.68%	1,740,272,639	53.98%
50-55%	2,051	7.15%	333,360,292	10.34%
55-60%	1,820	6.34%	303,916,109	9.43%
60-65%	1,513	5.27%	250,413,407	7.77%
65-70%	1,298	4.52%	215,335,634	6.68%
70-75%	1,003	3.49%	160,084,792	4.97%
75-80%	730	2.54%	118,844,207	3.69%
80-85%	429	1.49%	75,894,017	2.35%
85-90%	115	0.40%	20,770,732	0.64%
90-95%	30	0.10%	4,812,862	0.15%
95-100%	1	0.00%	152,772	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	28,701	100.00%	£ 3,223,857,463	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	996	3.47%	1,667,713	0.05%
5,000-10,000	709	2.47%	5,386,757	0.17%
10,000-25,000	2,527	8.80%	44,950,751	1.39%
25,000-50,000	4,418	15.39%	165,172,833	5.12%
50,000-75,000	4,075	14.20%	254,222,704	7.89%
75,000-100,000	3,705	12.91%	323,232,548	10.03%
100,000-150,000	5,389	18.78%	662,661,086	20.55%
150,000-200,000	2,775	9.67%	477,117,994	14.80%
200,000-250,000	1,538	5.36%	341,869,879	10.60%
250,000-300,000	911	3.17%	248,186,417	7.70%
300,000-350,000	536	1.87%	172,558,593	5.35%
350,000-400,000	357	1.24%	132,847,111	4.12%
400,000-450,000	281	0.98%	118,988,463	3.69%
450,000-500,000	167	0.58%	79,014,269	2.45%
500,000-600,000	171	0.60%	92,862,463	2.88%
600,000-700,000	83	0.29%	53,074,926	1.65%
700,000-800,000	38	0.13%	28,228,444	0.88%
800,000-900,000	17	0.06%	14,214,667	0.44%
900,000-1,000,000	8	0.03%	7,599,846	0.24%
1,000,000 +	0	0.00%	0	0.00%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	819	2.85%	97,677,240	3.03%
East Midlands	1,400	4.88%	154,660,931	4.80%
Greater London	2,439	8.50%	575,514,045	17.85%
Northern Ireland	171	0.60%	16,277,122	0.50%
North	1,648	5.74%	132,566,190	4.11%
North West	4,601	16.03%	406,883,045	12.62%
Scotland	3,536	12.32%	314,895,611	9.77%
South East	3,235	11.27%	533,911,207	16.56%
South West	1,309	4.56%	156,973,328	4.87%
Wales	1,227	4.28%	103,225,964	3.20%
West Midlands	1,557	5.42%	173,068,381	5.37%
Yorkshire and Humberside	6,759	23.55%	558,204,401	17.31%
Other	0	0.00%	0	0.00%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	17,890	62.33%	2,091,287,157	64.87%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,413	4.92%	159,780,607	4.96%
Offset	9,398	32.74%	972,789,699	30.17%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	295	1.03%	61,361,873	1.90%
12-24 months	1,672	5.83%	353,322,995	10.96%
24-36 months	1,966	6.85%	367,722,558	11.41%
36-48 months	5,005	17.44%	850,730,048	26.39%
48-60 months	1,572	5.48%	243,481,472	7.55%
60-72 months	434	1.51%	56,687,382	1.76%
72-84 months	742	2.59%	90,573,549	2.81%
84-96 months	1,133	3.95%	129,644,990	4.02%
96-108 months	670	2.33%	65,584,349	2.03%
108-120 months	1,116	3.89%	111,789,093	3.47%
120-150 months	6,127	21.35%	495,682,905	15.38%
150-180 months	4,392	15.30%	239,821,049	7.44%
180+ months	3,577	12.46%	157,455,200	4.88%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	20,580	71.70%	2,646,767,920	82.10%
SVR	4,107	14.31%	263,271,530	8.17%
Tracker	4,014	13.99%	313,818,013	9.73%
Other (please specify)	0	0.00%	0.00	0.00%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	28,701	100.00%	3,223,857,463	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	28,701	100.00%	3,223,857,463	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,186	4.13%	40,451,580	1.25%
30-60 months	2,015	7.02%	76,176,421	2.36%
60-120 months	6,047	21.07%	350,508,138	10.87%
120-180 months	7,414	25.83%	706,700,068	21.92%
180-240 months	4,730	16.48%	674,162,141	20.91%
240-300 months	4,632	16.14%	852,332,337	26.44%
300-360 months	1,806	6.29%	356,196,617	11.05%
360+ months	871	3.03%	167,330,161	5.19%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	20,582	71.71%	2,721,592,247	84.42%
Self-employed	842	2.93%	134,525,577	4.17%
Unemployed	73	0.25%	5,471,173	0.17%
Retired	311	1.08%	15,557,728	0.48%
Guarantor	0	0.00%	0	0.00%
Other	6,893	24.02%	346,710,738	10.75%
Total	28,701	100.00%	£ 3,223,857,463	100.00%

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

Series	7	9	10	11	12
Issue date	12/04/11	11/06/14	19/06/15	10/11/15	11/04/2017
Original rating (Moody's/Fitch)	Aa1/AAA	Aa1/AA+	Aaa/AAA	Aaa/AAA	Aaa/AAA
Current rating (Moody's/Fitch)	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Denomination	GBP	EUR	EUR	EUR	EUR
Amount at issuance	750,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Amount outstanding	750,000,000	500,000,000	500,000,000	500,000,000	500,000,000
FX swap rate (rate:£1)	n/a	1.230	1.372	1.401	1.172
Maturity type (hard/soft-bullet/pass-through)	soft-bullet	soft-bullet	soft-bullet	soft-bullet	soft-bullet
Scheduled final maturity date	12/04/18	11/06/21	19/06/20	10/11/22	11/04/23
Legal final maturity date	12/04/19	11/06/22	19/06/21	10/11/23	11/04/24
ISIN	XS0616210752	XS1076256400	XS1248340587	XS1318364731	XS1594364033
Stock exchange listing	London	London	London	London	London
Coupon payment frequency	Annual	Annual	Annual	Annual	Annual
Coupon payment date	12th	11th	19th	10th	11th
Coupon (rate if fixed, margin and reference rate if floating)	4.750%	1.250%	0.500%	0.750%	0.375%
Margin payable under extended maturity period (%)	1.275%	0.220%	0.040%	0.250%	0.10%
Swap counterparty/ies	HSBC Bank Plc	Natixis	HSBC Bank Plc	HSBC Bank Plc	Natixis
Swap notional denomination	GBP	EUR	EUR	EUR	EUR
Swap notional amount	750,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Swap notional maturity	12/04/18	11/06/21	19/06/20	10/11/22	11/04/2023
LLP receive rate/margin	4.750%	1.250%	0.500%	0.750%	0.375%
LLP pay rate/margin	1.495% / 3m Libor	0.6% / 3m Libor	0.445% / 3m Libor	0.799% / 3m Libor	0.6325% / 3m Libor
Collateral posting amount	0	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