Yorkshire Building Society Covered Bond Programme

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: March 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	21/04/2016
Start Date of reporting period	01/03/2016
End Date of reporting period	31/03/2016
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	-	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)	3,627,895,352
Swap notional maturity/ies	Loan balance zero
LLP receive rate/margin	1.75%
LLP pay rate/margin	3.08%
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	8,994,423	n/a	n/a
Interest on GIC	20,424	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	(3,832,045)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,319,564)	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	(2,863,139)	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	70,830,217	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	0	n/a	n/a
Cash Captial Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	2,768,350	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	(73,598,566)	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	7,894,565
Capital Account receipts / ledger			
Beg Balance	1,319,311,289	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	3,211,808	n/a	n/a
Increase in loan balance due to insurance & fees	199,656	n/a	n/a
Capital Contributions	500,000,000	n/a	n/a
Capital Distribution	(73,598,566)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,749,124,186	n/a	n/a

Asset Coverage Test

	Value	Description
A	3,188,240,551	Adjusted current balance
B	70,830,217	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	175,685,298	Set-off
Z	102,926,083	Negative carry
Total: A + B + C + D - (Y + Z)	2,980,459,386	
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 (%)	90.90%	
Maximum asset percentage from S&P (%)	n/a	
Credit support as derived from ACT (GBP)	1,102,459,386	
Credit support as derived from ACT (%)	58.7%	

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)	1,938,420,000
Cover pool balance (GBP)	3,625,463,546
GIC account balance (GBP)	87,754,315
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,178,610,992
Aggregate deposits attaching to the cover pool (GBP)	175,685,298
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	172,168,380
Nominal level of overcollateralisation (GBP)	1,747,463,546
Nominal level of overcollateralisation (%)	193.0%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,625,463,546
Number of Mortgages in Pool	32,518
Average loan balance (GBP)	111,491
Weighted average indexed LTV (%)	51.90
Weighted average non-indexed LTV (%)	58.62
Weighted average seasoning (months)	67.88
Weighted average remaining term (months)	221.63
Weighted average interest rate (%)	3.22
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (%, current month)	18.72
Constant Pre-Payment Rate (%, quarterly average)	13.78
Principal Payment Rate (%, current month)	23.00
Principal Payment Rate (%, quarterly average)	18.14
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)	8,994,423
Mortgage collections (scheduled - principal)	13,215,444
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	57,614,773

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	363	81.03%	41,706,325	93.63%
Loans bought back by seller(s)	85	18.97%	2,836,020	6.37%
of which are non-performing loans	1	1.18%	124,150	4.38%
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	25,950	79.80%	3,106,309,922	85.68%	3.28%	23.86	0	4.38	3.24%
Fixed at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Fixed at origination, reverting to tracker	2,688	8.27%	244,487,990	6.74%	2.76%	0	2.26	2.26	5.44%
Fixed for life	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker at origination, reverting to SVR	1,049	3.23%	78,117,625	2.15%	4.11%	1.5	0	4.38	3.40%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	2,583	7.94%	186,846,203	5.15%	2.20%	142.23	1.7	0	4.66%
SVR, including discount to SVR	248	0.76%	9,701,806	0.27%	4.98%	144.72	0	4.38	5.14%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	32,220	99.08%	3,597,377,366	99.23%
0-1 month in arrears	167	0.51%	15,167,906	0.42%
1-2 months in arrears (greater than 1 month, includes 2 months)	66	0.20%	6,807,941	0.19%
2-3 months in arrears (greater than 2 months, includes 3 months)	27	0.08%	2,636,435	0.07%
3-6 months in arrears (greater than 3 month, includes 6 months)	37	0.11%	3,349,748	0.09%
6-12 months in arrears (greater than 6 months, includes 12 months)	1	0.00%	124,150	0.00%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,498	50.73%	1,130,124,539	31.17%
50-55%	1,990	6.12%	262,387,425	7.24%
55-60%	2,315	7.12%	334,455,597	9.23%
60-65%	2,400	7.38%	373,147,967	10.29%
65-70%	2,445	7.52%	394,756,585	10.89%
70-75%	2,227	6.85%	383,261,215	10.57%
75-80%	1,339	4.12%	202,319,288	5.58%
80-85%	1,607	4.94%	271,713,046	7.49%
85-90%	1,135	3.49%	186,290,741	5.14%
90-95%	448	1.38%	68,926,393	1.90%
95-100%	86	0.26%	14,118,188	0.39%
100-105%	20	0.06%	2,629,950	0.07%
105-110%	2	0.01%	404,436	0.01%
110-125%	3	0.01%	385,487	0.01%
125%+	3	0.01%	542,691	0.01%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,504	59.98%	1,591,935,661	43.91%
50-55%	2,207	6.79%	343,872,963	9.48%
55-60%	2,287	7.03%	365,757,344	10.09%
60-65%	2,154	6.62%	343,575,300	9.48%
65-70%	1,793	5.51%	280,631,056	7.74%
70-75%	1,365	4.20%	219,466,436	6.05%
75-80%	1,276	3.92%	201,208,459	5.55%
80-85%	1,081	3.32%	158,969,428	4.38%
85-90%	549	1.69%	78,307,275	2.16%
90-95%	188	0.58%	25,401,341	0.70%
95-100%	66	0.20%	8,671,556	0.24%
100-105%	27	0.08%	4,332,969	0.12%
105-110%	17	0.05%	2,583,545	0.07%
110-125%	4	0.01%	750,212	0.02%
125%+	0	0.00%	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	978	3.01%	1,808,042	0.05%
5,000-10,000	680	2.09%	5,124,823	0.14%
10,000-25,000	2,770	8.52%	49,717,245	1.37%
25,000-50,000	4,968	15.28%	185,971,646	5.13%
50,000-75,000	4,803	14.77%	299,926,013	8.27%
75,000-100,000	4,307	13.24%	375,914,673	10.37%
100,000-150,000	6,339	19.49%	777,578,514	21.45%
150,000-200,000	3,290	10.12%	565,211,021	15.59%
200,000-250,000	1,763	5.42%	393,142,015	10.84%
250,000-300,000	940	2.89%	257,021,139	7.09%
300,000-350,000	585	1.80%	188,807,094	5.21%
350,000-400,000	348	1.07%	129,765,023	3.58%
400,000-450,000	221	0.68%	93,878,565	2.59%
450,000-500,000	176	0.54%	83,275,042	2.30%
500,000-600,000	183	0.56%	100,137,569	2.76%
600,000-700,000	104	0.32%	67,300,078	1.86%
700,000-800,000	35	0.11%	26,033,986	0.72%
800,000-900,000	17	0.05%	14,519,550	0.40%
900,000-1,000,000	11	0.03%	10,331,508	0.28%
1,000,000 +	0	0.00%	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	927	2.85%	110,537,111	3.05%
East Midlands	1,551	4.77%	173,486,647	4.79%
Greater London	2,659	8.18%	605,199,079	16.69%
Northern Ireland	184	0.57%	18,732,670	0.52%
North	1,896	5.83%	154,987,231	4.27%
North West	5,242	16.12%	468,189,230	12.91%
Scotland	3,967	12.20%	361,289,661	9.97%
South East	3,743	11.51%	608,866,043	16.79%
South West	1,495	4.60%	174,168,107	4.80%
Wales	1,397	4.30%	121,906,945	3.36%
West Midlands	1,738	5.34%	191,480,163	5.28%
Yorkshire and Humberside	7,719	23.74%	636,620,659	17.56%
Other	0	0.00%	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	19,397	59.65%	2,201,613,313	60.73%
Part-and-part	0	0.00%	0	0.00%
Interest-only	2,132	6.56%	245,239,240	6.76%
Offset	10,989	33.79%	1,178,610,992	32.51%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	548	1.69%	111,505,278	3.08%
12-24 months	5,628	17.31%	1,078,080,387	29.74%
24-36 months	2,962	9.11%	518,685,913	14.31%
36-48 months	465	1.43%	71,746,035	1.98%
48-60 months	1,142	3.51%	160,283,360	4.42%
60-72 months	1,558	4.79%	196,576,730	5.42%
72-84 months	832	2.56%	89,276,684	2.46%
84-96 months	1,203	3.70%	129,711,327	3.58%
96-108 months	2,657	8.17%	266,474,247	7.35%
108-120 months	3,498	10.76%	296,877,765	8.19%
120-150 months	5,430	16.70%	378,421,233	10.44%
150-180 months	6,429	19.77%	318,745,834	8.79%
180+ months	166	0.51%	9,078,753	0.25%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	21,982	67.60%	2,837,571,227	78.27%
SVR	5,149	15.83%	339,575,156	9.37%
Tracker	5,387	16.57%	448,317,163	12.37%
Other (please specify)	0	0.00%	0.00	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	32,518	100.00%	3,625,463,546	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	32,518	100.00%	3,625,463,546	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,295	3.98%	36,309,764	1.00%
30-60 months	1,695	5.21%	67,667,544	1.87%
60-120 months	5,351	16.46%	317,928,675	8.77%
120-180 months	9,017	27.73%	765,137,258	21.10%
180-240 months	6,434	19.79%	859,689,150	23.71%
240-300 months	5,539	17.03%	994,404,535	27.43%
300-360 months	2,144	6.59%	386,303,992	10.66%
360+ months	1,043	3.21%	198,022,627	5.46%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**100.00%**

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	22,281	68.52%	2,961,799,039	81.69%
Self-employed	975	3.00%	154,479,082	4.26%
Unemployed	83	0.26%	6,833,265	0.19%
Retired	383	1.18%	19,708,023	0.54%
Guarantor	0	0.00%	0	0.00%
Other	8,796	27.05%	482,644,136	13.31%
Total	**32,518**	**100.00%**	**£ 3,625,463,546**	**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)	No	Transfer cash management obligation to the Back-up Cash Manager
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	<u>Replacement Trigger</u> 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 guartantee from sufficiently rated courterparty
Covered Bond Swap Provider - CB7	Covered Bond Swap Provider ratings fall below Trigger	<u>Replacement Trigger</u> 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	<u>Replacement Trigger</u> 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	<u>Replacement Trigger</u> 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	<u>Replacement Trigger</u> 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