

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: May 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, rdriver@ybs.co.uk
Date of form submission	21/06/2018
Start Date of reporting period	01/05/2018
End Date of reporting period	31/05/2018
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	HSC Bank plc	< F1	AA-/F1+	< P-1	Aa2/P-1
Service(s)	Yorkshire Building Society	< BBB-	A-/F1	<Baa1, < Baa3	A3/P-2
Back-up Service(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)	2,985,452,999				
Swap notional maturity/ies	Loan balance zero				
LLP receive rate/margin	1.96%				
LLP pay rate/margin	2.33%				
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	6,104,834	n/a	n/a
Interest on GIC	21,345	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	(871,466)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(1,739,832)	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	(3,514,782)	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	78,377,459	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	1,728,809	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	(80,106,268)	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	6,070,408
Capital Account receipts / ledger			
Beg Balance	1,194,832,785	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	1,324,483	n/a	n/a
Increase in loan balance due to Insurance & fees	223,595	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	(80,106,268)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,116,274,795	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,634,201,678	Adjusted current balance
B	78,377,459	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	167,940,197	Set-off
Z	57,496,525	Negative carry
Total: A + B + C + D - (Y + Z)	2,487,142,415	
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 A.C.T. (GBP)	932,442,415	
Credit support as derived from A.C.T. (%)	60.0%	

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)	1,554,700,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	1,752,740,000
Cover pool balance (GBP)	2,994,938,946
GIC account balance (GBP)	91,022,889
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	922,395,436
Aggregate deposits attaching to the cover pool (GBP)	167,940,197
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	165,095,915
Nominal level of overcollateralisation (GBP)	1,440,238,946
Nominal level of overcollateralisation (%)	192.6%
Total Outstanding Current Balance of Mortgages in the Portfolio	2,994,938,946
Number of Mortgages in Pool	27,365
Average loan balance (GBP)	109,444
Weighted average Indexed LTV (%)	46.87
Weighted average non-indexed LTV (%)	55.28
Weighted average seasoning (months)	81.07
Weighted average remaining term (months)	211.24
Weighted average interest rate (%)	2.73
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% , current month)	25.60
Constant Pre-Payment Rate (% , quarterly average)	17.21
Principal Payment Rate (% , current month)	30.60
Principal Payment Rate (% , quarterly average)	22.19
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)	6,104,834
Mortgage collections (scheduled - principal)	12,771,799
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	65,605,661

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	379	91.99%	58,427,914	97.13%
Loans bought back by sellers	33	8.01%	1,724,782	2.87%
of which are non-performing loans	1	0.26%	24,498	0.04%
of which have breached REGs	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	19,474	71.16%	2,436,818,961	81.36%	2.60%	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	0	0.00%	0	0.00%	1.52%	-	0.00%	0.00%	
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Tracker for life	3,786	13.84%	281,472,694	9.40%	2.32%	-	1.83%	1.83%	
SVR, including discount to SVR	4,105	15.00%	276,647,291	9.24%	4.25%	-	-0.74%	0.00%	
Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Total	27,365	100.00%	£ 2,994,938,946	100.00%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	27,161	99.25%	2,976,700,175	99.39%
0-1 month in arrears	111	0.41%	9,999,542	0.33%
1-2 months in arrears (greater than 1 month, includes 2 months)	38	0.14%	3,146,729	0.11%
2-3 months in arrears (greater than 2 months, includes 3 months)	33	0.12%	3,557,915	0.12%
3-6 months in arrears (greater than 3 months, includes 6 months)	21	0.08%	1,510,086	0.05%
6-12 months in arrears (greater than 6 months, includes 12 months)	1	0.00%	24,498	0.00%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	15,428	56.38%	1,090,865,864	36.42%
50-55%	1,908	6.97%	266,324,107	8.89%
55-60%	2,042	7.46%	325,401,307	10.87%
60-65%	1,936	7.07%	302,466,604	10.10%
65-70%	1,770	6.47%	307,593,278	10.27%
70-75%	1,176	4.30%	195,233,431	6.52%
75-80%	1,309	4.78%	209,027,217	6.98%
80-85%	1,019	3.72%	172,967,776	5.78%
85-90%	560	2.05%	91,290,471	3.05%
90-95%	162	0.59%	24,779,881	0.83%
95-100%	48	0.18%	7,915,017	0.26%
100-105%	6	0.02%	848,619	0.03%
105-110%	0	0.00%	0	0.00%
110-125%	0	0.00%	0	0.00%
125%+	1	0.00%	227,376	0.01%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,051	69.62%	1,643,352,297	54.87%
50-55%	1,911	6.98%	306,135,505	10.22%
55-60%	1,889	6.17%	273,379,120	9.13%
60-65%	1,400	5.12%	230,623,131	7.70%
65-70%	1,192	4.36%	197,982,537	6.61%
70-75%	906	3.31%	140,233,222	4.68%
75-80%	652	2.38%	102,626,837	3.43%
80-85%	403	1.47%	71,959,813	2.40%
85-90%	116	0.42%	21,717,443	0.73%
90-95%	41	0.15%	6,240,902	0.21%
95-100%	3	0.01%	335,332	0.01%
100-105%	1	0.00%	152,805	0.01%
105-110%	0	0.00%	0	0.00%
110-125%	0	0.00%	0	0.00%
125%+	0	0.00%	0	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	985	3.60%	1,686,144	0.06%
5,000-10,000	676	2.47%	5,060,463	0.17%
10,000-25,000	2,512	9.18%	44,404,324	1.48%
25,000-50,000	4,318	15.78%	161,046,369	5.38%
50,000-75,000	3,949	14.43%	246,332,577	8.22%
75,000-100,000	3,505	12.81%	305,572,031	10.20%
100,000-150,000	5,091	18.60%	624,680,115	20.86%
150,000-200,000	2,616	9.56%	449,769,253	15.02%
200,000-250,000	1,414	5.17%	314,513,486	10.50%
250,000-300,000	832	3.04%	227,034,764	7.58%
300,000-350,000	477	1.74%	154,125,659	5.15%
350,000-400,000	333	1.22%	123,864,374	4.14%
400,000-450,000	237	0.87%	100,190,013	3.35%
450,000-500,000	141	0.52%	66,508,659	2.22%
500,000-600,000	161	0.59%	87,398,999	2.92%
600,000-700,000	70	0.26%	44,683,397	1.49%
700,000-800,000	31	0.11%	23,026,341	0.77%
800,000-900,000	9	0.03%	7,508,658	0.25%
900,000-1,000,000	8	0.03%	7,332,319	0.25%
1,000,000 +	0	0.00%	0	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	772	2.82%	90,175,811	3.01%
East Midlands	1,334	4.87%	144,741,425	4.83%
Greater London	2,282	8.34%	518,127,000	17.30%
Northern Ireland	165	0.60%	15,558,651	0.52%
North	1,574	5.75%	124,909,137	4.17%
North West	4,421	16.16%	382,248,472	12.76%
Scotland	3,367	12.30%	294,194,961	9.82%
South East	3,068	11.21%	495,119,774	16.53%
South West	1,242	4.54%	145,429,533	4.86%
Wales	1,175	4.29%	96,818,825	3.23%
West Midlands	1,493	5.46%	162,068,225	5.41%
Yorkshire and Humber	6,472	23.65%	525,547,131	17.55%
Other	0	0.00%	0	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	16,978	62.04%	1,923,165,314	64.21%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,310	4.79%	149,378,196	4.99%
Offset	9,077	33.17%	922,395,436	30.80%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	65	0.24%	13,260,356	0.44%
12-24 months	1,293	4.73%	266,639,990	8.90%
24-36 months	1,518	5.53%	284,625,498	9.50%
36-48 months	3,889	14.21%	650,247,117	21.71%
48-60 months	3,077	11.24%	497,306,183	16.60%
60-72 months	288	1.05%	38,367,321	1.28%
72-84 months	777	2.84%	94,054,356	3.14%
84-96 months	1,075	3.93%	122,857,932	4.10%
96-108 months	666	2.43%	65,226,113	2.18%
108-120 months	752	2.75%	70,795,155	2.36%
120-150 months	5,664	20.70%	466,662,092	15.58%
150-180 months	4,143	15.14%	243,171,615	8.12%
180+ months	4,158	15.19%	181,725,222	6.07%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	19,474	71.16%	2,436,818,961	81.36%
SVR	4,105	15.00%	276,647,291	9.24%
Tracker	3,786	13.84%	281,472,694	9.40%
Other (please specify)	0	0.00%	0.00	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	27,365	100.00%	2,994,938,946	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	27,365	100.00%	2,994,938,946	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,099	4.02%	29,026,010	0.97%
30-60 months	2,044	7.47%	74,777,595	2.50%
60-120 months	6,074	22.20%	349,780,095	11.68%
120-180 months	6,993	25.53%	676,589,206	22.59%
180-240 months	4,481	16.37%	634,150,129	21.17%
240-300 months	4,236	15.48%	762,272,973	25.45%
300-360 months	1,663	6.08%	325,581,081	10.87%
360+ months	775	2.83%	142,761,858	4.77%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	19,601	71.63%	2,520,401,773	84.16%
Self-employed	812	2.97%	127,177,689	4.25%
Unemployed	71	0.26%	5,329,496	0.18%
Retired	298	1.09%	14,512,678	0.48%
Guarantor	0	0.00%	0	0.00%
Other	6,583	24.06%	327,517,310	10.94%
Total	27,365	100.00%	£ 2,994,938,946	100.00%

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

Series	9	10	11	12
Issue date	11/06/14	19/06/15	10/11/15	11/04/17
Original rating (Moody's/Fitch)	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Current rating (Moody's/Fitch)	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Denomination	EUR	EUR	EUR	EUR
Amount at issuance	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
FX swap rate (rate:E1)	1.230	1.372	1.401	1.172
Maturity type (hard/soft-bullet/pass-through)	soft-bullet	soft-bullet	soft-bullet	soft-bullet
Scheduled final maturity date	11/06/21	19/06/20	10/11/22	11/04/23
Legal final maturity date	11/06/22	19/06/21	10/11/23	11/04/24
ISIN	XS1076258400	XS1248340587	XS1318364731	XS1594364033
Stock exchange listing	London	London	London	London
Coupon payment frequency	Annual	Annual	Annual	Annual
Coupon payment date	11th	19th	10th	11th
Coupon (rate if fixed, margin and reference rate if floating)	1.250%	0.500%	0.750%	0.375%
Margin payable under extended maturity period (%)	0.220%	0.040%	0.250%	0.100%
Swap counterparty/ies	Natixis	HSBC Bank Plc	HSBC Bank Plc	Natixis
Swap notional denomination	EUR	EUR	EUR	EUR
Swap notional amount	500,000,000	500,000,000	500,000,000	500,000,000
Swap notional maturity	11/06/21	19/06/20	10/11/22	11/04/23
LLP receive rate/margin	1.250%	0.500%	0.750%	0.375%
LLP pay rate/margin	0.6% / 3m Libor	0.445% / 3m Libor	0.799% / 3m Libor	0.6325% / 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 - 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