

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: September 2015
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	21/10/2015
Start Date of reporting period	01/09/2015
End Date of reporting period	30/09/2015
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		SGP		DBRS	
		Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds		-	AAA	-	Aaa	na	na	na	na
Issuer	Yorkshire Building Society	-	A-/F1	-	Baa1/P2	na	na	na	na
Seller(s)	Yorkshire Building Society	-	A-/F1	-	Baa1/P2	na	na	na	na
Cash manager	Yorkshire Building Society	BBB-	A-/F1	Baa3	Baa1/P2	na	na	na	na
Stand-by cash manager	n/a	-	-	-	-	na	na	na	na
Account bank	Yorkshire Building Society	A-/F2	A-/F1	P2	P2	na	na	na	na
Stand-by account bank	HSBC Bank Plc	A-/F2	AA-/F1+	P2	P1	na	na	na	na
Servicer(s)	Yorkshire Building Society	BBB-	A-	Baa3	Baa1/P2	na	na	na	na
Stand-by servicer(s)	n/a	-	-	-	-	na	na	na	na
Swap provider(s) on cover pool	Yorkshire Building Society	-	A-	-	Baa1/P2	na	na	na	na
Stand-by swap provider(s) on cover pool	n/a	n/a	n/a	n/a	n/a	na	na	na	na
Swap notional amount(s) (GBP)	3,931,299,179								
Swap notional maturity/ies	Loan balance zero								
LLP receive rate/margin	1.73%								
LLP pay rate/margin	3.16%								
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	9,756,107	n/a	n/a
Interest on GIC	18,426	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	2,800,000	n/a	n/a
Cash Capital Contribution deemed to be revenue	0	n/a	n/a
Net interest from / (to) Interest Rate Swap Provider	(4,300,246)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(1,853,146)	n/a	n/a
Pre-funding of monthly swap payments / other payments	(960,362)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Deferred Consideration	(5,460,680)	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	48,315,877	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	5,299,329	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	(53,615,206)	n/a	n/a
Closing Balance	0	n/a	n/a
Reserve receipts / ledger			
Beg Balance	9,859,251	n/a	n/a
Transfers to GIC	0	n/a	n/a
Interest on GIC	0	n/a	n/a
Reserve Required Amount movement	(2,800,000)	n/a	n/a
Transfers from GIC	0	n/a	n/a
Closing Balance	7,059,251	n/a	6,635,207
Capital Account receipts / ledger			
Beg Balance	1,531,955,016	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	1,666,653	n/a	n/a
Increase in loan balance due to insurance & fees	192,843	n/a	n/a
Capital Contributions	502,020,000	n/a	n/a
Capital Distribution	(53,615,206)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,982,219,306	n/a	n/a

Asset Coverage Test

	Value	Description
A	3,478,962,092	Adjusted current balance
B	48,315,877	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	163,275,442	Set-off
Z	98,175,886	Negative carry
Total: A + B + C + D - (Y + Z)	3,265,826,641	
Method Used for Calculating "A" (note 1)		A (ii)
Asset Percentage (%)		87.00%
Maximum asset percentage from Fitch (%)		87.00%
Maximum asset percentage from Moody's (%)		91.30%
Maximum asset percentage from S&P (%)		n/a
Credit support as derived from ACT (GBP)	1,244,826,641	
Credit support as derived from ACT (%)		61.6%

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)	2,021,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	1,988,140,000
Cover pool balance (GBP)	4,002,590,673
GIC account balance (GBP)	67,949,661
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,301,028,521
Aggregate deposits attaching to the cover pool (GBP)	163,275,442
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	160,581,627
Nominal level of overcollateralisation (GBP)	1,981,590,673
Nominal level of overcollateralisation (%)	198.1%
Total Outstanding Current Balance of Mortgages in the Portfolio	4,002,590,673
Number of Mortgages in Pool	34,935
Average loan balance (GBP)	114,573
Weighted average indexed LTV (%)	53.15
Weighted average non-indexed LTV (%)	59.66
Weighted average seasoning (months)	62.23
Weighted average remaining term (months)	226.38
Weighted average interest rate (%)	3.30
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% , current month)	10.02
Constant Pre-Payment Rate (% , quarterly average)	11.90
Principal Payment Rate (% , current month)	14.31
Principal Payment Rate (% , quarterly average)	16.14
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)	9,756,107
Mortgage collections (scheduled - principal)	14,355,467
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	33,960,409

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	299	84.94%	25,966,316	85.63%
Loans bought back by seller(s)	53	15.06%	4,357,321	14.37%
of which are non-performing loans	2	3.77%	126,634	2.91%
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	27,702	79.30%	3,412,452,447	85.26%	3.37%	25.08	0	4.39	3.34%
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	2,943	8.42%	276,248,171	6.90%	2.79%	0	2.29	2.29	5.45%
Fixed for life	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker at origination, reverting to SVR	1,232	3.53%	97,281,415	2.43%	4.01%	2.59	0	4.39	3.38%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	2,794	8.00%	205,877,123	5.14%	2.23%	145.46	1.73	0	4.68%
SVR, including discount to SVR	264	0.76%	10,731,517	0.27%	4.98%	153.14	0	4.39	5.13%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	34,601	99.04%	3,970,723,550	99.20%
0-1 month in arrears	202	0.58%	18,640,911	0.47%
1-2 months in arrears (greater than 1 month, includes 2 months)	58	0.17%	5,283,964	0.13%
2-3 months in arrears (greater than 2 months, includes 3 months)	34	0.10%	3,320,373	0.08%
3-6 months in arrears (greater than 3 months, includes 6 months)	38	0.11%	4,495,240	0.11%
6-12 months in arrears (greater than 6 months, includes 12 months)	1	0.00%	110,467	0.00%
12+ months in arrears (greater than 12 months)	1	0.00%	16,167	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	17,032	48.75%	1,174,333,107	29.34%
50-55%	2,140	6.13%	288,707,891	7.21%
55-60%	2,344	6.71%	338,928,824	8.47%
60-65%	2,693	7.71%	435,684,773	10.89%
65-70%	2,595	7.43%	407,172,287	10.17%
70-75%	2,777	7.95%	496,854,355	12.41%
75-80%	1,471	4.21%	214,548,891	5.36%
80-85%	1,868	5.35%	319,297,002	7.98%
85-90%	1,354	3.88%	224,411,615	5.61%
90-95%	530	1.52%	82,026,012	2.05%
95-100%	99	0.28%	16,135,890	0.40%
100-105%	21	0.06%	2,763,499	0.07%
105-110%	4	0.01%	690,662	0.02%
110-125%	4	0.01%	492,095	0.01%
125%+	3	0.01%	543,769	0.01%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	20,250	57.96%	1,636,493,069	40.89%
50-55%	2,384	6.82%	384,128,269	9.60%
55-60%	2,612	7.48%	428,714,130	10.71%
60-65%	2,407	6.89%	395,412,838	9.88%
65-70%	2,103	6.02%	339,924,550	8.49%
70-75%	1,501	4.30%	239,732,283	5.99%
75-80%	1,420	4.06%	232,838,286	5.82%
80-85%	1,249	3.58%	195,952,638	4.90%
85-90%	690	1.98%	104,007,011	2.60%
90-95%	197	0.56%	27,626,422	0.69%
95-100%	76	0.22%	10,519,475	0.26%
100-105%	23	0.07%	3,564,261	0.09%
105-110%	12	0.03%	1,990,273	0.05%
110-125%	10	0.03%	1,576,699	0.04%
125%+	1	0.00%	110,467	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	949	2.72%	1,793,400	0.04%
5,000-10,000	687	1.97%	5,161,493	0.13%
10,000-25,000	2,846	8.15%	51,387,940	1.28%
25,000-50,000	5,189	14.85%	194,356,665	4.86%
50,000-75,000	5,080	14.54%	317,200,268	7.92%
75,000-100,000	4,649	13.31%	405,862,465	10.14%
100,000-150,000	6,949	19.89%	852,842,329	21.31%
150,000-200,000	3,660	10.48%	629,261,868	15.72%
200,000-250,000	1,939	5.55%	432,420,472	10.80%
250,000-300,000	1,068	3.06%	291,840,945	7.29%
300,000-350,000	665	1.90%	214,813,714	5.37%
350,000-400,000	394	1.13%	146,605,113	3.66%
400,000-450,000	240	0.69%	101,383,313	2.53%
450,000-500,000	210	0.60%	99,544,692	2.49%
500,000-600,000	207	0.59%	113,034,794	2.82%
600,000-700,000	113	0.32%	72,943,024	1.82%
700,000-800,000	52	0.15%	38,485,512	0.96%
800,000-900,000	24	0.07%	20,383,388	0.51%
900,000-1,000,000	14	0.04%	13,269,276	0.33%
1,000,000 +	0	0.00%	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	995	2.85%	120,342,760	3.01%
East Midlands	1,671	4.78%	190,034,306	4.75%
Greater London	2,956	8.46%	689,783,200	17.23%
Northern Ireland	193	0.55%	20,755,171	0.52%
North	2,025	5.80%	168,440,671	4.21%
North West	5,577	15.96%	508,780,121	12.71%
Scotland	4,222	12.09%	393,347,855	9.83%
South East	4,084	11.69%	674,366,135	16.85%
South West	1,621	4.64%	194,153,059	4.85%
Wales	1,488	4.26%	133,822,729	3.34%
West Midlands	1,878	5.38%	215,200,156	5.38%
Yorkshire and Humberside	8,225	23.54%	693,564,508	17.33%
Other	0	0.00%	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	20,822	59.60%	2,426,803,857	60.63%
Part-and-part	0	0.00%	0	0.00%
Interest-only	2,351	6.73%	274,758,295	6.86%
Offset	11,762	33.67%	1,301,028,521	32.50%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	2,858	8.18%	566,763,011	14.16%
12-24 months	6,418	18.37%	1,235,264,192	30.86%
24-36 months	427	1.22%	56,188,385	1.40%
36-48 months	1,220	3.49%	183,019,184	4.57%
48-60 months	1,532	4.39%	221,652,204	5.54%
60-72 months	1,175	3.36%	142,691,757	3.56%
72-84 months	1,024	2.93%	110,263,625	2.75%
84-96 months	2,004	5.74%	219,518,754	5.48%
96-108 months	3,448	9.87%	328,630,278	8.21%
108-120 months	3,486	9.98%	287,162,020	7.17%
120-150 months	5,735	16.42%	369,921,308	9.24%
150-180 months	5,608	16.05%	281,515,954	7.03%
180+ months	0	0.00%	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	23,817	68.18%	3,164,098,165	79.05%
SVR	5,200	14.88%	328,575,261	8.21%
Tracker	5,918	16.94%	509,917,247	12.74%
Other (please specify)	0	0.00%	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	34,935	100.00%	4,002,590,673	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	34,935	100.00%	4,002,590,673	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,294	3.70%	40,521,845	1.01%
30-60 months	1,704	4.88%	69,309,631	1.73%
60-120 months	5,389	15.43%	321,979,436	8.04%
120-180 months	9,309	26.65%	781,231,311	19.52%
180-240 months	7,407	21.20%	988,316,669	24.69%
240-300 months	6,254	17.90%	1,136,880,161	28.40%
300-360 months	2,355	6.74%	430,140,186	10.75%
360+ months	1,223	3.50%	234,211,433	5.85%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	23,991	68.67%	3,271,689,469	81.74%
Self-employed	1,044	2.99%	170,676,550	4.26%
Unemployed	87	0.25%	7,478,456	0.19%
Retired	404	1.16%	21,105,319	0.53%
Guarantor	0	0.00%	0	0.00%
Other	9,409	26.93%	531,640,878	13.28%
Total	34,935	100.00%	£ 4,002,590,673	100.00%

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

Series	7	8	9	10
Issue date	12/04/11	23/03/12	11/06/14	19/06/15
Original rating (Moody's/S&P/Fitch/DBRS)	Aa1/AAA	Aa2/AAA	Aa1/AA+	Aaa/AAA
Current rating (Moody's/S&P/Fitch/DBRS)	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Denomination	GBP	GBP	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	n/a	1.230	1.372
Maturity type (hard/soft-bullet/pass-through)	soft-bullet	soft-bullet	soft-bullet	soft-bullet
Scheduled final maturity date	12/04/18	23/03/16	11/06/21	19/06/20
Legal final maturity date	12/04/19	23/03/17	11/06/22	19/06/21
ISIN	XS0616210752	XS0762446853	XS1076256400	XS1248340587
Stock exchange listing	London	London	London	London
Coupon payment frequency	Annual	Quarterly	Annual	Annual
Coupon payment date	12th	23rd	11th	19th
Coupon (rate if fixed, margin and reference rate if floating)	4.750%	1.75% / 3m Libor	1.250%	0.500%
Margin payable under extended maturity period (%)	1.275%	1.750%	0.220%	0.040%
Swap counterparty/ies	HSBC Bank Plc	n/a	Natixis	HSBC Bank Plc
Swap notional denomination	GBP	n/a	EUR	EUR
Swap notional amount	750,000,000	n/a	500,000,000	500,000,000
Swap notional maturity	12/04/18	n/a	11/06/21	19/06/20
LLP receive rate/margin	4.750%	n/a	1.250%	0.500%
LLP pay rate/margin	1.495% / 3m Libor	n/a	0.6% / 3m Libor	0.445% / 3m Libor
Collateral posting amount	0	n/a	0	0

Programme triggers

Event (please list all triggers)	Summary of Event	Trigger (S&P, Moody's, Fitch, DBRS; short-term, long-term)	Trigger breached (yes/no)	Consequence of a trigger breach
YBS / Issuer	YBS failure to pay on Covered Bonds	YBS failure to pay on Covered Bonds or YBS insolvency	No	Triggers a Notice to Pay on the LLP
YBS / Seller	Details of the Borrowers with Loans to be delivered to the LLP, the Security Trustee (upon request) and the Rating Agencies.	Long term Baa3 (moody's), Fitch BBB-	No	Details of the Borrowers with Loans to be delivered to the LLP, the Security Trustee (upon request) and the Rating Agencies
Account Bank	Account Bank short ratings fall below trigger	P1 (Moody's), F1 (Fitch)	Yes	Standby Account bank invoked
Stand-by Account Bank	Standby Account Bank short ratings fall below trigger	P1 (Moody's), F1 (Fitch)	No	Move to higher rated bank/guarantee required
Servicer	Servicer rating fall below trigger	Initial below Baa1 (Moody's), BBB+ (Fitch)	No	Back up Servicer required
Servicer	Servicer rating fall below trigger	Subsequent below Baa3 (Moody's), BBB- (Fitch)	No	Transfer servicing to Back up Servicer
Cash Manager	Cash Manager ratings fall below trigger	Initial below Baa1 (Moody's), BBB+ (Fitch)	No	Back up Cash Manager required
Cash Manager	Cash Manager ratings fall below trigger	Subsequent below Baa3 (Moody's), BBB- (Fitch)	No	Transfer cash management to Back up Cash manager
Cash Manager	Cash Manager ratings fall below trigger	Initial below Baa1 (Moody's)	No	Pre-funding of amount due in respect of the bonds/to the relevant covered bond swap provider
Interest Rate Swap Provider	Interest Rate Swap provider ratings fall below Trigger	Short term below P2 (Moody's), A2 (Fitch)	No	Within 30 Business Days, i) transfer all rights under the Agreement to a third party, ii) procure a co-obligor and either take such action as agreed with Moody's or post collateral
LLP Event of Default (post YBS Event of Default)	LLP failure to pay on Covered Bonds Amortisation Test failure Interest Coverage Test failure	LLP failure to pay on Covered Bonds, breach of Amortisation or Interest Coverage Test.	No	Bonds becoming immediately due and payable

Currency of assets

	Number	% of total number	Amount (GBP)	% of total amount
GBP	34,935	100.00%	£ 4,002,590,673	100.00%

Note 2

Non GBP bond issuance - all non GBP covered bonds are swapped back into GBP in line with rating agency criteria