Yorkshire BUILDING SOCIETY Covered Bond Programme

# Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: September 2017

**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 | 21/10/2017 |
| Start Date of reporting period | 01/09/2017 |
| End Date of reporting period | 30/09/2017 |
| 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) | 3,265,009,491 | | | | |
| Swap notional maturity/ies | Loan balance zero | | | | |
| LLP receive rate/margin | 1.45% | | | | |
| LLP pay rate/margin | 2.40% | | | | |
| 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 | 6,606,779 | n/a | n/a |
| Interest on GIC | 0 | 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 | (2,564,616) | n/a | n/a |
| Interest (to) Covered Bond Swap Providers | (2,258,014) | 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 | (1,784,048) | 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 | 51,960,934 | 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 | 7,206,245 | 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 | (59,167,179) | 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 | 7,464,065 |
| **Capital Account receipts / ledger** | | | |
| Beg Balance | 1,617,406,722 | 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 | 1,719,272 | n/a | n/a |
| Increase in loan balance due to insurance & fees | 141,230 | n/a | n/a |
| Capital Contributions | 0 | n/a | n/a |
| Capital Distribution | (59,167,179) | n/a | n/a |
| Losses from Capital Contribution in Kind | 0 | n/a | n/a |
| Closing Balance | 1,560,100,044 | n/a | n/a |

**Asset Coverage Test**

| | Value | Description |
|---|---|---|
| A | 3,028,566,895 | Adjusted current balance |
| B | 51,960,934 | 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 | 169,454,414 | Set-off |
| Z | 92,295,317 | Negative carry |
| Total: A + B + C + D - ( Y + Z ) | 2,818,778,098 | |
| | | |
| 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) | 514,078,098 | |
| Credit support as derived from ACT (%) | 22.3% | |

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**

| | |
|---|---|
| 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) | 2,515,060,000 |
| Cover pool balance (GBP) | 3,442,979,729 |
| GIC account balance (GBP) | 66,476,964 |
| Any additional collateral (please specify) | 0 |
| Any additional collateral (GBP) | 0 |
| Aggregate balance of off-set mortgages (GBP) | 1,026,568,404 |
| Aggregate deposits attaching to the cover pool (GBP) | 169,454,414 |
| Aggregate deposits attaching specifically to the off-set mortgages (GBP) | 166,983,604 |
| Nominal level of overcollateralisation (GBP) | 1,138,279,729 |
| Nominal level of overcollateralisation (%) | 149.4% |
| Total Outstanding Current Balance of Mortgages in the Portfolio | 3,442,979,729 |
| Number of Mortgages in Pool | 30,059 |
| Average loan balance (GBP) | 114,541 |
| Weighted average indexed LTV (%) | 48.65 |
| Weighted average non-indexed LTV (%) | 56.95 |
| Weighted average seasoning (months) | 72.16 |
| Weighted average remaining term (months) | 219.41 |
| Weighted average interest rate (%) | 2.73 |
| Standard Variable Rate(s) (%) | 4.74 |
| Constant Pre-Payment Rate (%, current month) | 14.25 |
| Constant Pre-Payment Rate (%, quarterly average) | 13.44 |
| Principal Payment Rate (%, current month) | 19.21 |
| Principal Payment Rate (%, quarterly average) | 18.24 |
| 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) | 6,606,779 |
| Mortgage collections (scheduled - principal) | 13,523,168 |
| Mortgage collections (unscheduled - interest) | 0 |
| Mortgage collections (unscheduled - principal) | 38,437,766 |

**Loan Redemptions & Replenishments Since Previous Reporting Date**

| | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| Loan redemptions since previous reporting date | 282 | 68.78% | 28,715,125 | 79.81% |
| Loans bought back by seller(s) | 128 | 31.22% | 7,262,124 | 20.19% |
| of which are non-performing loans | 1 | 0.78% | 69,821 | 0.96% |
| of which have breached R&Ws | 0 | 0.00% | 0 | 0.00% |
| Loans sold into the cover pool | 1,307 | n/a | 249,610,587 | 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 | 21,394 | 71.17% | 2,817,885,562 | 81.84% | 2.64% | 21.9 | 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 | 57 | 0.19% | 16,214,985 | 0.47% | 1.34% | 5.0 | 1.09% | 0.02% | |
| Tracker at origination, reverting to Libor | 0 | 0.00% | 0 | 0.00% | 0.00% | - | 0.00% | 0.00% | |
| Tracker for life | 4,179 | 13.90% | 320,011,558 | 9.29% | 2.22% | - | 1.98% | 1.98% | |
| SVR, including discount to SVR | 4,429 | 14.73% | 288,867,624 | 8.39% | 4.26% | - | -0.48% | 0.00% | |
| Libor | 0 | 0.00% | 0 | 0.00% | 0.00% | - | 0.00% | 0.00% | |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** | | | | | |

**Stratifications**

| Arrears Breakdown | Number | % of Total Number | Amount | % of Total Amount |
|---|---|---|---|---|
| Current | 29,837 | 99.26% | 3,425,523,362 | 99.49% |
| 0-1 month in arrears | 136 | 0.45% | 10,146,031 | 0.29% |
| 1-2 months in arrears (greater than 1 month, includes 2 months) | 49 | 0.16% | 4,026,014 | 0.12% |
| 2-3 months in arrears (greater than 2 months, includes 3 months) | 22 | 0.07% | 2,204,163 | 0.06% |
| 3-6 months in arrears (greater than 3 month, includes 6 months) | 14 | 0.05% | 1,010,338 | 0.03% |
| 6-12 months in arrears (greater than 6 months, includes 12 months) | 1 | 0.00% | 69,821 | 0.00% |
| 12+ months in arrears (greater than 12 months) | 0 | 0.00% | 0 | 0.00% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Current LTV (Non-Indexed) | Number | % of Total Number | Amount | % of Total Amount |
|---|---|---|---|---|
| 0-50% - Non Indexed | 16,040 | 53.36% | 1,157,503,710 | 33.62% |
| 50-55% | 1,985 | 6.60% | 274,565,210 | 7.97% |
| 55-60% | 2,242 | 7.46% | 362,528,680 | 10.53% |
| 60-65% | 2,206 | 7.34% | 360,229,093 | 10.46% |
| 65-70% | 2,197 | 7.31% | 382,719,289 | 11.12% |
| 70-75% | 1,476 | 4.91% | 250,297,452 | 7.27% |
| 75-80% | 1,425 | 4.74% | 233,397,161 | 6.78% |
| 80-85% | 1,330 | 4.42% | 228,950,054 | 6.65% |
| 85-90% | 839 | 2.79% | 142,252,472 | 4.13% |
| 90-95% | 254 | 0.85% | 39,563,895 | 1.15% |
| 95-100% | 57 | 0.19% | 9,750,206 | 0.28% |
| 100-105% | 6 | 0.02% | 720,777 | 0.02% |
| 105-110% | 1 | 0.00% | 273,511 | 0.01% |
| 110-125% | 0 | 0.00% | 0 | 0.00% |
| 125%+ | 1 | 0.00% | 228,220 | 0.01% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Current LTV (Indexed as Defined in OC) | Number | % of Total Number | Amount | % of Total Amount |
|---|---|---|---|---|
| 0-50% - Indexed | 19,855 | 66.05% | 1,750,497,664 | 50.84% |
| 50-55% | 2,119 | 7.05% | 342,344,317 | 9.94% |
| 55-60% | 1,987 | 6.61% | 335,254,590 | 9.74% |
| 60-65% | 1,703 | 5.67% | 285,387,047 | 8.29% |
| 65-70% | 1,441 | 4.79% | 239,144,747 | 6.95% |
| 70-75% | 1,163 | 3.87% | 190,382,860 | 5.53% |
| 75-80% | 909 | 3.02% | 142,947,637 | 4.15% |
| 80-85% | 571 | 1.90% | 104,109,151 | 3.02% |
| 85-90% | 235 | 0.78% | 40,975,568 | 1.19% |
| 90-95% | 70 | 0.23% | 11,060,283 | 0.32% |
| 95-100% | 6 | 0.02% | 875,865 | 0.03% |
| 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** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Current outstanding balance of loan | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| 0-5,000 | 1,026 | 3.41% | 1,821,056 | 0.05% |
| 5,000-10,000 | 655 | 2.18% | 5,004,110 | 0.15% |
| 10,000-25,000 | 2,577 | 8.57% | 45,777,039 | 1.33% |
| 25,000-50,000 | 4,512 | 15.01% | 168,292,958 | 4.89% |
| 50,000-75,000 | 4,298 | 14.30% | 267,554,483 | 7.77% |
| 75,000-100,000 | 3,885 | 12.92% | 339,189,006 | 9.85% |
| 100,000-150,000 | 5,685 | 18.91% | 698,775,810 | 20.30% |
| 150,000-200,000 | 2,992 | 9.95% | 515,204,702 | 14.96% |
| 200,000-250,000 | 1,644 | 5.47% | 366,105,015 | 10.63% |
| 250,000-300,000 | 971 | 3.23% | 265,226,735 | 7.70% |
| 300,000-350,000 | 577 | 1.92% | 186,150,618 | 5.41% |
| 350,000-400,000 | 386 | 1.28% | 143,822,234 | 4.18% |
| 400,000-450,000 | 298 | 0.99% | 126,431,778 | 3.67% |
| 450,000-500,000 | 194 | 0.65% | 91,788,375 | 2.67% |
| 500,000-600,000 | 194 | 0.65% | 105,073,293 | 3.05% |
| 600,000-700,000 | 96 | 0.32% | 61,503,070 | 1.79% |
| 700,000-800,000 | 40 | 0.13% | 29,806,465 | 0.87% |
| 800,000-900,000 | 20 | 0.07% | 16,813,964 | 0.49% |
| 900,000-1,000,000 | 9 | 0.03% | 8,639,018 | 0.25% |
| 1,000,000 + | 0 | 0.00% | 0 | 0.00% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Regional Distribution | Number | % of Total Number | Amount | % of Total Amount |
|---|---|---|---|---|
| East Anglia | 852 | 2.83% | 103,362,234 | 3.00% |
| East Midlands | 1,458 | 4.85% | 165,710,206 | 4.81% |
| Greater London | 2,570 | 8.55% | 618,488,474 | 17.96% |
| Northern Ireland | 176 | 0.59% | 16,780,510 | 0.49% |
| North | 1,713 | 5.70% | 140,180,600 | 4.07% |
| North West | 4,797 | 15.96% | 431,429,843 | 12.53% |
| Scotland | 3,781 | 12.58% | 341,789,170 | 9.93% |
| South East | 3,411 | 11.35% | 576,502,648 | 16.74% |
| South West | 1,372 | 4.56% | 166,965,070 | 4.85% |
| Wales | 1,270 | 4.23% | 108,953,750 | 3.16% |
| West Midlands | 1,621 | 5.39% | 182,726,007 | 5.31% |
| Yorkshire and Humberside | 7,038 | 23.41% | 590,091,217 | 17.14% |
| Other | 0 | 0.00% | 0 | 0.00% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Repayment type | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| Capital repayment | 18,773 | 62.45% | 2,243,609,522 | 65.16% |
| Part-and-part | 0 | 0.00% | 0 | 0.00% |
| Interest-only | 1,522 | 5.06% | 172,801,804 | 5.02% |
| Offset | 9,764 | 32.48% | 1,026,568,404 | 29.82% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Seasoning | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| 0-12 months | 880 | 2.93% | 179,903,775 | 5.23% |
| 12-24 months | 1,834 | 6.10% | 393,141,802 | 11.42% |
| 24-36 months | 2,925 | 9.73% | 523,737,119 | 15.21% |
| 36-48 months | 5,035 | 16.75% | 871,881,461 | 25.32% |
| 48-60 months | 363 | 1.21% | 44,040,126 | 1.28% |
| 60-72 months | 824 | 2.74% | 107,835,793 | 3.13% |
| 72-84 months | 955 | 3.18% | 114,753,915 | 3.33% |
| 84-96 months | 874 | 2.91% | 94,281,440 | 2.74% |
| 96-108 months | 769 | 2.56% | 76,499,140 | 2.22% |
| 108-120 months | 1,548 | 5.15% | 156,064,832 | 4.53% |
| 120-150 months | 6,332 | 21.07% | 498,167,605 | 14.47% |
| 150-180 months | 4,841 | 16.10% | 254,181,729 | 7.38% |
| 180+ months | 2,879 | 9.58% | 128,490,993 | 3.73% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Interest payment type | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| Fixed | 21,395 | 71.18% | 2,817,971,276 | 81.85% |
| SVR | 4,429 | 14.73% | 288,867,624 | 8.39% |
| Tracker | 4,235 | 14.09% | 336,140,829 | 9.76% |
| Other (please specify) | 0 | 0.00% | 0.00 | 0.00% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Loan purpose type | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| Owner-occupied | 30,059 | 100.00% | 3,442,979,729 | 100.00% |
| Buy-to-let | 0 | 0.00% | 0 | 0.00% |
| Second home | 0 | 0.00% | 0 | 0.00% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Income verification type | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| Fully verified | 30,059 | 100.00% | 3,442,979,729 | 100.00% |
| Fast-track | 0 | 0.00% | 0 | 0.00% |
| Self-certified | 0 | 0.00% | 0 | 0.00% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Remaining term of loan | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| 0-30 months | 1,173 | 3.90% | 30,242,514 | 0.88% |
| 30-60 months | 1,941 | 6.46% | 73,668,280 | 2.14% |
| 60-120 months | 5,998 | 19.95% | 349,560,452 | 10.15% |
| 120-180 months | 7,887 | 26.24% | 741,996,339 | 21.55% |
| 180-240 months | 5,100 | 16.97% | 736,272,473 | 21.38% |
| 240-300 months | 4,990 | 16.60% | 926,347,447 | 26.91% |
| 300-360 months | 1,997 | 6.64% | 395,218,693 | 11.48% |
| 360+ months | 973 | 3.24% | 189,673,531 | 5.51% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **100.00%** |

| Employment status | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| Employed | 21,577 | 71.78% | 2,907,962,747 | 84.46% |
| Self-employed | 867 | 2.88% | 141,680,161 | 4.12% |
| Unemployed | 73 | 0.24% | 5,815,800 | 0.17% |
| Retired | 321 | 1.07% | 16,280,711 | 0.47% |
| Guarantor | 0 | 0.00% | 0 | 0.00% |
| Other | 7,221 | 24.02% | 371,240,311 | 10.78% |
| **Total** | **30,059** | **100.00%** | **£ 3,442,979,729** | **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 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 | <u>Replacement Trigger</u> Short term: P-2 (Moody's), F3(Fitch)<br>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 | <u>Replacement Trigger</u> Short term: P-2 (Moody's), F3 (Fitch)<br>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)<br>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)<br>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)<br>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 |

**Currency of assets**

| | Number | % of total number | Amount (GBP) | % of total amount |
|---|---|---|---|---|
| **GBP** | 30,059 | 100.00% | £ 3,442,979,729 | 100.00% |

Note 2

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