

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: January 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	21/02/2017
Start Date of reporting period	01/01/2017
End Date of reporting period	31/01/2017
Web links - prospectus, transaction documents, loan-level data	http://www.ybs.co.uk/your-society/treasury/wholesale_funding/covered-bonds/reports.html

Counterparties, Ratings

Covered bonds	Counterparty/ies	Fitch		Moody's	
		Rating trigger	Current rating	Rating trigger	Current rating
Issuer	Yorkshire Building Society	-	AAA	-	Aaa
Seller(s)	Yorkshire Building Society	-	A-/F1	-	Baa1/P2
Cash Manager	Yorkshire Building Society	< BBB-, < F2	A-/F1	< Baa3, < P-2	Baa1/P-2
Back-up Cash Manager	Yorkshire Building Society	< BBB-	A-/F1	<Baa1, < Baa3	Baa1/P-2
Account Bank	n/a	-	-	-	-
Stand-by Account Bank	Yorkshire Building Society	< F1	A-/F1	< P-1	Baa1/P-2
Servicer(s)	HSBC Bank plc	< F1	AA-/F1+	< P-1	Aa2/P-1
Back-up Servicer(s)	Yorkshire Building Society	< BBB-	A-/F1	<Baa1, < Baa3	Baa1/P-2
Interest Rate Swap Provider	n/a	-	-	-	-
Swap notional amount(s) (GBP)	Yorkshire Building Society	< F3/BBB-	A-/F1	< P-2/A3	Baa1/P-2
Swap notional maturity/ies	3,129,777,975	-	-	-	-
LLP receive rate/margin	Loan balance zero	-	-	-	-
LLP pay rate/margin	1.52%	-	-	-	-
Collateral posting amount(s) (GBP)	2.63%	-	-	-	-
	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	6,981,190	n/a	n/a
Interest on GIC	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	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	(3,037,337)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,174,032)	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	(1,770,148)	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	39,509,700	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(249,343,201)	n/a	n/a
Cash Capital Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	3,388,808	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	206,444,693	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	6,795,325
Capital Account receipts / ledger			
Beg Balance	1,338,464,275	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	952,385	n/a	n/a
Increase in loan balance due to insurance & fees	157,242	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	206,444,693	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,546,018,595	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,791,331,898	Adjusted current balance
B	39,509,700	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	170,606,209	Set-off
Z	81,432,346	Negative carry
Total: A + B + C + D - (Y + Z)	2,578,803,044	
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)		700,803,044
Credit support as derived from ACT (%)		37.3%

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)	1,878,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	2,038,125,000
Cover pool balance (GBP)	3,173,791,298
GIC account balance (GBP)	54,400,567
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,028,320,988
Aggregate deposits attaching to the cover pool (GBP)	170,606,209
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	167,948,821
Nominal level of overcollateralisation (GBP)	1,295,791,298
Nominal level of overcollateralisation (%)	169.0%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,173,791,298
Number of Mortgages in Pool	29,391
Average loan balance (GBP)	107,985
Weighted average indexed LTV (%)	47.54
Weighted average non-indexed LTV (%)	56.74
Weighted average seasoning (months)	76.13
Weighted average remaining term (months)	214.01
Weighted average interest rate (%)	3.00
Standard Variable Rate(s) (%)	4.74
Constant Pre-Payment Rate (% , current month)	10.39
Constant Pre-Payment Rate (% , quarterly average)	16.13
Principal Payment Rate (% , current month)	15.22
Principal Payment Rate (% , quarterly average)	20.89
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)	6,981,190
Mortgage collections (scheduled - principal)	12,475,132
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	27,034,568

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	235	88.01%	20,359,300	85.03%
Loans bought back by seller(s)	32	11.99%	3,585,296	14.97%
of which are non-performing loans	3	9.38%	268,347	7.48%
of which have breached RfWs	0	0.00%	0	0.00%
Loans sold into the cover pool	480	n/a	99,648,717	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	20,116	68.48%	2,514,408,989	79.2%	2.90%	24.42	0.00%	0.00%	
Fixed at origination, reverting to Libor	0.00	0.0%	0.00	0.0%	0.00%	0.00	0.00%	0.00%	
Fixed at origination, reverting to tracker	0.00	0.0%	0.00	0.0%	0.00%	0.00	0.00%	0.00%	
Fixed for life	0.00	0.0%	0.00	0.0%	0.00%	0.00	0.00%	0.00%	
Tracker at origination, reverting to SVR	31	0.1%	8,099,654	0.3%	1.57%	5.81	1.17%	0.00%	
Tracker at origination, reverting to Libor	0.00	0.0%	0.00	0.0%	0.00%	0.00	0.00%	0.00%	
Tracker for life	4,600	15.7%	361,126,103	11.4%	2.33%	0.00	2.01%	2.01%	
SVR, including discount to SVR	4,642	15.8%	289,927,804	9.1%	4.70%	0.00	-0.01%	0.03%	
Libor	0.00	0.0%	0.00	0.0%	0.00%	0.00	0.00%	0.00%	
Total	29,391	100.0%	£ 3,173,791,298	100.0%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	29,147	99.17%	3,153,006,595	99.35%
0-1 month in arrears	131	0.45%	11,069,372	0.35%
1-2 months in arrears (greater than 1 month, includes 2 months)	56	0.19%	4,971,115	0.16%
2-3 months in arrears (greater than 2 months, includes 3 months)	27	0.09%	2,096,273	0.07%
3-6 months in arrears (greater than 3 month, includes 6 months)	27	0.09%	2,379,597	0.07%
6-12 months in arrears (greater than 6 months, includes 12 months)	3	0.01%	268,347	0.01%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	15,882	54.04%	1,087,799,702	34.27%
50-55%	1,908	6.49%	254,257,412	8.01%
55-60%	2,154	7.33%	317,968,717	10.02%
60-65%	2,077	7.07%	316,112,030	9.96%
65-70%	2,249	7.65%	379,582,096	11.96%
70-75%	1,509	5.13%	240,647,063	7.58%
75-80%	1,272	4.33%	200,307,321	6.31%
80-85%	1,214	4.13%	199,335,900	6.28%
85-90%	746	2.54%	119,135,504	3.75%
90-95%	288	0.98%	43,606,810	1.37%
95-100%	74	0.25%	12,345,567	0.39%
100-105%	12	0.04%	1,577,012	0.05%
105-110%	1	0.00%	277,348	0.01%
110-125%	2	0.01%	297,489	0.01%
125%+	3	0.01%	541,328	0.02%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,718	67.09%	1,688,307,397	53.20%
50-55%	2,109	7.18%	328,300,905	10.34%
55-60%	1,968	6.70%	306,098,087	9.64%
60-65%	1,632	5.55%	255,121,006	8.04%
65-70%	1,287	4.38%	199,803,704	6.30%
70-75%	1,138	3.87%	171,039,258	5.39%
75-80%	831	2.83%	121,510,492	3.83%
80-85%	457	1.55%	67,733,643	2.13%
85-90%	167	0.57%	23,254,007	0.73%
90-95%	43	0.15%	5,711,753	0.18%
95-100%	24	0.08%	4,322,669	0.14%
100-105%	12	0.04%	1,746,941	0.06%
105-110%	3	0.01%	376,744	0.01%
110-125%	2	0.01%	464,692	0.01%
125%+	0	0.00%	0	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	990	3.37%	1,778,260	0.06%
5,000-10,000	680	2.31%	5,150,179	0.16%
10,000-25,000	2,643	8.99%	47,428,272	1.49%
25,000-50,000	4,670	15.89%	174,767,534	5.51%
50,000-75,000	4,383	14.91%	273,279,492	8.61%
75,000-100,000	3,852	13.11%	336,289,133	10.60%
100,000-150,000	5,596	19.04%	685,896,882	21.61%
150,000-200,000	2,827	9.62%	485,702,403	15.30%
200,000-250,000	1,481	5.04%	329,054,002	10.37%
250,000-300,000	846	2.88%	231,173,441	7.28%
300,000-350,000	472	1.61%	152,471,790	4.80%
350,000-400,000	309	1.05%	115,370,159	3.64%
400,000-450,000	206	0.70%	87,771,361	2.77%
450,000-500,000	144	0.49%	68,045,951	2.14%
500,000-600,000	158	0.54%	86,335,746	2.72%
600,000-700,000	87	0.30%	55,778,189	1.76%
700,000-800,000	25	0.09%	18,457,077	0.58%
800,000-900,000	17	0.06%	14,287,428	0.45%
900,000-1,000,000	5	0.02%	4,753,998	0.15%
1,000,000 +	0	0.00%	0	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	832	2.83%	95,828,985	3.02%
East Midlands	1,417	4.82%	154,085,142	4.85%
Greater London	2,337	7.95%	519,754,574	16.38%
Northern Ireland	174	0.59%	16,745,681	0.53%
North	1,707	5.81%	134,960,853	4.25%
North West	4,769	16.23%	412,936,020	13.01%
Scotland	3,627	12.34%	319,528,373	10.07%
South East	3,341	11.37%	528,283,811	16.65%
South West	1,345	4.58%	152,568,899	4.81%
Wales	1,264	4.30%	106,787,476	3.36%
West Midlands	1,550	5.27%	165,467,560	5.21%
Yorkshire and Humber	7,028	23.91%	566,843,924	17.86%
Other	0	0.00%	0	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	17,633	59.99%	1,949,392,658	61.43%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,743	5.93%	195,877,653	6.17%
Offset	10,015	34.08%	1,028,320,988	32.40%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	221	0.75%	46,965,206	1.48%
12-24 months	1,132	3.85%	226,498,075	7.14%
24-36 months	5,552	18.89%	997,746,924	31.44%
36-48 months	1,759	5.98%	287,487,005	9.06%
48-60 months	522	1.78%	75,551,784	2.38%
60-72 months	842	2.86%	107,970,036	3.40%
72-84 months	1,326	4.51%	158,207,567	4.98%
84-96 months	752	2.56%	76,836,489	2.42%
96-108 months	1,254	4.27%	131,422,980	4.14%
108-120 months	2,604	8.86%	247,088,594	7.79%
120-150 months	6,079	20.68%	452,790,353	14.27%
150-180 months	5,558	18.91%	283,974,725	8.95%
180+ months	1,790	6.09%	81,241,562	2.56%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	20,120	68.46%	2,514,820,128	79.24%
SVR	4,642	15.79%	290,234,523	9.14%
Tracker	4,629	15.75%	368,736,647	11.62%
Other (please specify)	0	0.00%	0.00	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	29,391	100.00%	3,173,791,298	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	29,391	100.00%	3,173,791,298	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,250	4.25%	35,840,898	1.13%
30-60 months	1,776	6.04%	70,721,892	2.23%
60-120 months	5,732	19.50%	332,637,738	10.48%
120-180 months	8,211	27.94%	722,781,784	22.77%
180-240 months	5,298	18.03%	721,677,098	22.74%
240-300 months	4,578	15.58%	820,349,183	25.85%
300-360 months	1,744	5.93%	318,721,334	10.04%
360+ months	802	2.73%	151,061,372	4.76%
Total	29,391	100.00%	£ 3,173,791,298	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	20,239	68.86%	2,603,773,816	82.04%
Self-employed	868	2.95%	132,960,234	4.19%
Unemployed	78	0.27%	6,053,886	0.19%
Retired	334	1.14%	16,224,845	0.51%
Guarantor	0	0.00%	0	0.00%
Other	7,872	26.78%	414,778,517	13.07%
Total	29,391	100.00%	£ 3,173,791,298	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/StP/Fitch/DBRS)	Aa1/AAA	Aa1/AA+	Aaa/AAA	Aaa/AAA
Current rating (Moody's/StP/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)	n/a	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 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

Currency of assets

	Number	% of total number	Amount (GBP)	% of total amount
GBP	29,391	100.00%	£ 3,173,791,298	100.00%

Note 2

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