Yorkshire BUILDING SOCIETY Covered Bond Programme

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: February 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	21/03/2017
Start Date of reporting period	01/02/2017
End Date of reporting period	28/02/2017
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	-	Baa1/P2
Seller(s)	Yorkshire Building Society	< BBB-, < F2	A-/F1	< Baa3, < P-2	Baa1/P-2
Cash Manager	Yorkshire Building Society	< BBB-	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)	3,220,066,699				
Swap notional maturity/ies	Loan balance zero				
LLP receive rate/margin	1.52%				
LLP pay rate/margin	2.59%				
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	6,493,518	n/a	n/a
Interest on GIC	709	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	(2,652,054)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(1,902,278)	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	(1,939,795)	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	49,354,316	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(199,922,708)	n/a	n/a
Cash Captial Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	3,278,125	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	147,290,266	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	1,546,018,595	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	1,236,915	n/a	n/a
Increase in loan balance due to insurance & fees	227,873	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	147,290,266	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,694,773,648	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,966,500,940	Adjusted current balance
B	49,354,316	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	177,043,049	Set-off
Z	79,465,598	Negative carry
Total: A + B + C + D - (Y + Z)	2,759,346,609	
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)	881,346,609	
Credit support as derived from ACT (%)	46.9%	

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)	2,030,190,000
Cover pool balance (GBP)	3,373,046,490
GIC account balance (GBP)	63,757,794
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,050,996,412
Aggregate deposits attaching to the cover pool (GBP)	177,043,049
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	174,513,003
Nominal level of overcollateralisation (GBP)	1,495,046,490
Nominal level of overcollateralisation (%)	179.6%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,373,046,490
Number of Mortgages in Pool	30,304
Average loan balance (GBP)	111,307
Weighted average indexed LTV (%)	48.56
Weighted average non-indexed LTV (%)	57.15
Weighted average seasoning (months)	72.53
Weighted average remaining term (months)	217.93
Weighted average interest rate (%)	2.92
Standard Variable Rate(s) (%)	4.74
Constant Pre-Payment Rate (%, current month)	13.51
Constant Pre-Payment Rate (%, quarterly average)	13.80
Principal Payment Rate (%, current month)	18.66
Principal Payment Rate (%, quarterly average)	18.70
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)	6,493,518
Mortgage collections (scheduled - principal)	13,269,171
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	36,085,146

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	265	87.17%	26,800,746	89.07%
Loans bought back by seller(s)	39	12.83%	3,289,581	10.93%
of which are non-performing loans	5	12.82%	387,150	11.77%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	1,212	n/a	249,008,643	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	21,083	69.57%	2,705,623,532	80.21%	2.82%	24.19	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	113	0.37%	28,412,350	0.84%	1.35%	15.97	-0.78%	0.00%	
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Tracker for life	4,550	15.01%	356,217,716	10.56%	2.31%	-	1.98%	1.98%	
SVR, including discount to SVR	4,558	15.04%	282,792,892	8.38%	4.74%	-	0.04%	0.04%	
Libor	0	0.00%	0	0.00%	0.00%	-	0.00%	0.00%	
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	30,038	99.12%	3,349,810,994	99.31%
0-1 month in arrears	157	0.52%	13,984,901	0.41%
1-2 months in arrears (greater than 1 month, includes 2 months)	46	0.15%	4,067,083	0.12%
2-3 months in arrears (greater than 2 months, includes 3 months)	31	0.10%	2,415,680	0.07%
3-6 months in arrears (greater than 3 month, includes 6 months)	27	0.09%	2,380,682	0.07%
6-12 months in arrears (greater than 6 months, includes 12 months)	5	0.02%	387,150	0.01%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,093	53.11%	1,127,975,511	33.44%
50-55%	1,956	6.45%	263,716,898	7.82%
55-60%	2,209	7.29%	336,925,820	9.99%
60-65%	2,209	7.29%	349,312,354	10.36%
65-70%	2,348	7.75%	400,192,497	11.86%
70-75%	1,593	5.26%	260,952,226	7.74%
75-80%	1,343	4.43%	213,876,658	6.34%
80-85%	1,307	4.31%	218,416,589	6.48%
85-90%	858	2.83%	141,424,241	4.19%
90-95%	299	0.99%	45,729,664	1.36%
95-100%	74	0.24%	12,194,445	0.36%
100-105%	12	0.04%	1,612,391	0.05%
105-110%	1	0.00%	277,194	0.01%
110-125%	1	0.00%	211,220	0.01%
125%+	1	0.00%	228,784	0.01%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,873	65.58%	1,715,992,799	50.87%
50-55%	2,191	7.23%	348,109,782	10.32%
55-60%	2,041	6.74%	326,355,148	9.68%
60-65%	1,719	5.67%	279,633,581	8.29%
65-70%	1,446	4.77%	232,465,714	6.89%
70-75%	1,203	3.97%	187,996,127	5.57%
75-80%	938	3.10%	144,585,545	4.29%
80-85%	560	1.85%	85,938,856	2.55%
85-90%	242	0.80%	38,095,944	1.13%
90-95%	53	0.17%	7,601,356	0.23%
95-100%	22	0.07%	3,842,094	0.11%
100-105%	10	0.03%	1,484,035	0.04%
105-110%	4	0.01%	628,368	0.02%
110-125%	1	0.00%	211,220	0.01%
125%+	1	0.00%	105,920	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	999	3.30%	1,799,153	0.05%
5,000-10,000	677	2.23%	5,137,493	0.15%
10,000-25,000	2,644	8.72%	47,439,634	1.41%
25,000-50,000	4,687	15.47%	175,468,858	5.20%
50,000-75,000	4,430	14.62%	276,338,213	8.19%
75,000-100,000	3,944	13.01%	344,308,227	10.21%
100,000-150,000	5,787	19.10%	710,141,747	21.05%
150,000-200,000	2,988	9.86%	513,526,649	15.22%
200,000-250,000	1,581	5.22%	351,137,143	10.41%
250,000-300,000	938	3.10%	256,251,617	7.60%
300,000-350,000	540	1.78%	174,565,756	5.18%
350,000-400,000	340	1.12%	126,979,118	3.76%
400,000-450,000	245	0.81%	104,298,767	3.09%
450,000-500,000	176	0.58%	83,265,474	2.47%
500,000-600,000	176	0.58%	95,980,616	2.85%
600,000-700,000	97	0.32%	62,414,393	1.85%
700,000-800,000	29	0.10%	21,443,865	0.64%
800,000-900,000	20	0.07%	16,884,974	0.50%
900,000-1,000,000	6	0.02%	5,664,791	0.17%
1,000,000 +	0	0.00%	0	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	856	2.82%	99,335,523	2.94%
East Midlands	1,458	4.81%	161,396,898	4.78%
Greater London	2,488	8.21%	578,514,354	17.15%
Northern Ireland	176	0.58%	16,790,439	0.50%
North	1,753	5.78%	140,933,943	4.18%
North West	4,883	16.11%	430,479,099	12.76%
Scotland	3,705	12.23%	332,278,859	9.85%
South East	3,483	11.49%	566,355,349	16.79%
South West	1,402	4.63%	164,045,960	4.86%
Wales	1,293	4.27%	111,136,309	3.29%
West Midlands	1,612	5.32%	177,597,423	5.27%
Yorkshire and Humberside	7,195	23.74%	594,182,332	17.62%
Other	0	0.00%	0	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,466	60.94%	2,127,657,624	63.08%
Part-and-part	0	0.00%	0	0.00%
Interest-only	1,729	5.71%	194,392,454	5.76%
Offset	10,109	33.36%	1,050,996,412	31.16%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	750	2.47%	163,035,753	4.83%
12-24 months	1,500	4.95%	301,697,625	8.94%
24-36 months	5,372	17.73%	956,713,979	28.36%
36-48 months	2,115	6.98%	355,216,407	10.53%
48-60 months	455	1.50%	66,148,425	1.96%
60-72 months	855	2.82%	110,019,047	3.26%
72-84 months	1,338	4.42%	159,992,343	4.74%
84-96 months	739	2.44%	75,289,532	2.23%
96-108 months	1,162	3.83%	122,928,554	3.64%
108-120 months	2,489	8.21%	235,817,526	6.99%
120-150 months	6,089	20.09%	456,271,808	13.53%
150-180 months	5,566	18.37%	284,902,482	8.45%
180+ months	1,874	6.18%	85,013,008	2.52%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	21,084	69.57%	2,705,706,272	80.22%
SVR	4,610	15.21%	295,608,876	8.76%
Tracker	4,610	15.21%	371,731,342	11.02%
Other (please specify)	0	0.00%	0.00	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	30,304	100.00%	3,373,046,490	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	30,304	100.00%	3,373,046,490	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,230	4.06%	32,211,900	0.95%
30-60 months	1,810	5.97%	72,695,437	2.16%
60-120 months	5,820	19.21%	339,452,999	10.06%
120-180 months	8,240	27.19%	736,770,260	21.84%
180-240 months	5,489	18.11%	763,526,435	22.64%
240-300 months	4,904	16.18%	895,359,340	26.54%
300-360 months	1,903	6.28%	359,795,079	10.67%
360+ months	908	3.00%	173,235,040	5.14%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**100.00%**

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	21,160	69.83%	2,792,822,691	82.80%
Self-employed	896	2.96%	144,210,266	4.28%
Unemployed	79	0.26%	6,444,295	0.19%
Retired	341	1.13%	17,041,762	0.51%
Guarantor	0	0.00%	0	0.00%
Other	7,828	25.83%	412,527,476	12.23%
Total	**30,304**	**100.00%**	**£ 3,373,046,490**	**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), 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) 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) 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