



**YORKSHIRE  
BUILDING  
SOCIETY**

# **PILLAR 3 DISCLOSURES**

**HALF-YEAR 2022**

# CONTENTS

<b>Introduction</b>	<b>3</b>
<b>Annex I : Key metrics and Overview of risk weighted exposure amounts</b>	<b>4</b>
UK OV1 – Overview of risk weighted exposure amounts	4
UK KM1 – Key metrics template	5
<b>Annex V : Scope of application</b>	<b>6</b>
UK LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	6
UK LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements	8
UK LI3 – Outline of the differences in the scopes of consolidation (entity by entity)	9
UK PV1 – Prudent valuation adjustments (PVA)	10
<b>Annex VII : Own funds</b>	<b>11</b>
UK CC1 – Composition of regulatory own funds	11
UK CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements	15
UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – Tier 2	16
UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – SNP	19
<b>Annex IX : Countercyclical capital buffers</b>	<b>22</b>
UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	22
UK CCyB2 – Amount of institution-specific countercyclical capital buffer	22
<b>Annex XI : Leverage ratio</b>	<b>23</b>
UK LR2 – LRCom – Leverage ratio common disclosure	23
<b>Annex XIII : Liquidity requirements</b>	<b>25</b>
UK LIQ1 – Quantitative information of LCR	25
UK LIQB – Qualitative information on LCR, which complements UK LIQ1	26
<b>Annex XV : Risk management objectives and policies, exposures to credit risk, dilution risk and credit quality</b>	<b>27</b>
UK CR1 – Performing and non-performing exposures and related provisions	27
UK CR1-A – Maturity of exposures	28
UK CQ1 – Credit quality of forborne exposures	29
UK CQ5 – Credit quality of loans and advances by industry	30
<b>Annex XVII : Credit Risk Mitigation techniques</b>	<b>31</b>
UK CR3 – CRM techniques overview – Disclosure of the use of credit risk mitigation techniques	31
<b>Annex XIX : Credit risk (standardised approach)</b>	<b>32</b>
UK CR4 – Standardised approach – Credit risk exposure and CRM effects	32
UK CR5 – Standardised approach	33
<b>Annex XXV : Counterparty credit risk</b>	<b>34</b>
UK CCR1 – Analysis of CCR exposure by approach	34
UK CCR2 – Transactions subject to own funds requirements for CVA risk	34
UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	35
UK CCR5 – Composition of collateral for CCR exposures	35
UK CCR8 – Exposures to CCPs	36
<b>Annex XXVII : Securitisation positions</b>	<b>37</b>
UK-SEC1 – Securitisation exposures in the non-trading book	37
UK-SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor	38
UK-SEC5 – Exposures securitised by the institution – Exposures in default and specific credit risk adjustments	39
<b>Annex XXXVII : Interest Rate Risk in the Banking Book</b>	<b>40</b>
UK IRRBB1 – Quantitative information on IRRBB	40
<b>Glossary</b>	<b>41</b>

## INTRODUCTION

### BACKGROUND

The European Union Capital Requirements Directive, which applies to banks and building societies, came into effect on 1 January 2007. This introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II accord, and included disclosure requirements known as 'Pillar 3'. These disclosures are designed to promote market discipline through the disclosure of key information about risk exposures and risk management processes. Following publication of the Basel III accord, this was replaced by the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (together referred to as CRD IV) which came into force on 1 January 2014 and was superseded by PS22/21 on 1 January 2022.

PS22/21 'Implementation of Basel standards: Final rules' included revisions to the Pillar 3 disclosure framework to align to Basel international standards. The revised requirements seek to increase the efficiency of institutions' disclosures and reinforce market discipline and consistency. The implementation date in the UK was 1 January 2022 and subsequently this document includes those revisions which comprise revised:

- quantitative disclosures (templates) more aligned with Basel international standards and supervisory reporting; and
- qualitative disclosures enabling improved consistency across banks and building societies' disclosures.

### BASIS AND FREQUENCY OF DISCLOSURE

The purpose of this disclosure is to provide information in line with Basel III capital requirements and on the management of risks faced by Yorkshire Building Society. The disclosures and basis of measurement are in accordance with the rules laid out in the UK PRA Rulebook (CRR) Annex K. The disclosures may differ from similar information in the Interim Financial Statements 2022 which are prepared in accordance with International Financial Reporting Standards ('IFRS'). Therefore, the information in these disclosures may not be directly comparable.

### TEMPLATES NOT INCLUDED

The templates presented in this document are those which are required at the half year and those applicable to the Society based on thresholds set out in the guidance.

As per article 432a of the PRA rulebook, numerous templates have been omitted on grounds of materiality, including UKCR2, UKCR2a, UKCQ2, UKCQ4, UKCQ6 and the UKMR1. No templates have been omitted on the grounds of confidentiality or because they are deemed proprietary.

The Society does not have approval to use internal models in the calculation of market risk or counterparty credit risk. As a result, templates UKCCR6, UK MRB, UKMR2-A, UKMR3, UKMR4 and UKCCR7 are omitted. The Society is undergoing an application for the IRB approach to calculation capital requirements. Until the Society is IRB accredited, templates UKCR6, UKCR7, UKCR7a, UKCCR4 will not be presented.

UKSEC3 has not been presented as although the Society is an originator of numerous securitisations as part of its Brass and Tombac programmes, there is no significant risk transfer. The UKSEC 2 template is not shown because the Society does not have a trading book. UKCR10 has not been presented as the Society does not engage in any specialised lending and the UK CCR6 is not disclosed because the Society does not use credit derivatives to mitigate credit risk. UKCQ7 has not been presented because the Society does not derecognise the financial assets on possessed properties and so does not bring the properties onto the balance sheet.

In accordance with PS22/21 'Implementation of Basel Standards: Final rules', Net Stable Funding Ratio (NSFR) disclosures are not required until after 1 January 2023, as such this template has been omitted.

### LOCATION AND VERIFICATION

These disclosures have been reviewed by the Audit Committee (AC) and approved by the Society's Board and are published on 30 September 2022. These disclosures have not been, and are not required to be, subject to independent external audit, and do not constitute any part of the Society's financial statements. However, some of the information within the disclosures also appears in the Society's 2022 Interim Financial Statements.

### ATTESTATION BY SENIOR MANAGEMENT

I confirm that, to the best of my knowledge, the Society's Pillar 3 disclosures for the half-year ended 30 June 2022 comply with the Disclosure (CRR) part of the PRA Rulebook and have been prepared in accordance with the Society's Pillar 3 Disclosure Policy.

**Rob Purdy**

Interim Chief Finance Officer

## ANNEX I : KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS

### UK OV1 – Overview of risk weighted exposure amounts

		a	b	c
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		30/06/2022	31/03/2022	30/06/2022
		£m	£m	£m
1	Credit risk (excluding CCR)	17,982.8	17,357.4	1,438.6
2	Of which the standardised approach	17,982.8	17,357.4	1,438.6
3	Of which the foundation IRB (FIRB) approach			
4	Of which slotting approach			
UK 4a	Of which equities under the simple risk weighted approach			
5	Of which the advanced IRB (AIRB) approach			
6	Counterparty credit risk – CCR	323.1	241.8	25.8
7	Of which the standardised approach	104.7	85.4	8.4
8	Of which internal model method (IMM)			
UK 8a	Of which exposures to a CCP	10.6	9.3	0.8
UK 8b	Of which credit valuation adjustment – CVA	207.7	146.2	16.6
9	Of which other CCR	0.0	0.9	0.0
10	Empty set in the UK			
11	Empty set in the UK			
12	Empty set in the UK			
13	Empty set in the UK			
14	Empty set in the UK			
15	Settlement risk	–	–	–
16	Securitisation exposures in the non-trading book (after the cap)	19.5	14.7	1.6
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	19.5	14.7	1.6
19	Of which SEC-SA approach			
UK 19a	Of which 1250%/ deduction			
20	Position, foreign exchange and commodities risks (Market risk)	–	–	–
21	Of which the standardised approach	–	–	–
22	Of which IMA	–	–	–
UK 22a	Large exposures	–	–	–
23	Operational risk	669.0	669.0	53.5
UK 23a	Of which basic indicator approach	–	–	–
UK 23b	Of which standardised approach	669.0	669.0	53.5
UK 23c	Of which advanced measurement approach	–	–	–
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	0.1	0.1	–
25	Empty set in the UK			
26	Empty set in the UK			
27	Empty set in the UK			
28	Empty set in the UK			
<b>29</b>	<b>Total</b>	<b>18,994.3</b>	<b>18,282.8</b>	<b>1,519.5</b>

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.

## UK KM1 – Key metrics template

		a	b	c
		30/06/2022	31/03/2022	31/12/2021
		£m	£m	£m
<b>Available own funds (amounts)</b>				
1	Common Equity Tier 1 (CET1) capital	3,150.0	2,970.7	2,970.2
2	Tier 1 capital	3,150.0	2,970.7	2,970.2
3	Total capital	3,454.8	3,284.2	3,294.9
<b>Risk-weighted exposure amounts</b>				
4	Total risk-weighted exposure amount	18,986.4	18,282.8	17,631.0
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>				
5	Common Equity Tier 1 ratio (%)	16.59%	16.25%	16.85%
6	Tier 1 ratio (%)	16.59%	16.25%	16.85%
7	Total capital ratio (%)	18.20%	17.96%	18.69%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>				
UK 7a	Additional CET1 SREP requirements (%)	0.00%	0.00%	0.00%
UK 7b	Additional AT1 SREP requirements (%)	0.00%	0.00%	0.00%
UK 7c	Additional T2 SREP requirements (%)	0.00%	0.00%	0.00%
UK 7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%
UK 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
UK 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	2.50%	2.50%	2.50%
UK 11a	Overall capital requirements (%)	10.50%	10.50%	10.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.20%	9.96%	10.69%
<b>Leverage ratio</b>				
13	Total exposure measure excluding claims on central banks	54,529.9	51,305.0	50,257.9
14	Leverage ratio excluding claims on central banks (%)	5.78%	5.79%	5.91%
<b>Additional leverage ratio disclosure requirements</b>				
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)			
14b	Leverage ratio including claims on central banks (%)			
14c	Average leverage ratio excluding claims on central banks (%)			
14d	Average leverage ratio including claims on central banks (%)			
14e	Countercyclical leverage ratio buffer (%)			
<b>Liquidity Coverage Ratio</b>				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	8,162.9	7,491.1	6,992.8
UK 16a	Cash outflows – Total weighted value	4,736.8	4,432.7	4,128.9
UK 16b	Cash inflows – Total weighted value	179.0	217.6	213.0
16	Total net cash outflows (adjusted value)	4,557.8	4,215.1	3,915.9
17	Liquidity coverage ratio (%)	179.64%	177.75%	178.57%

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.

Where reporting is required but there is nothing to report, cells show zero.

## ANNEX V : SCOPE OF APPLICATION

## UK LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	£m	£m	£m	£m	£m	£m	£m
<b>Breakdown by asset class according to the balance sheet in the published financial statements</b>							
1	Cash and balances with the Bank of England	5,526.9	5,526.9	5,526.9	–	–	–
2	Loans and advances to credit institutions	617.8	617.8	423.2	–	194.6	–
3	Debt securities	5,210.4	5,210.4	5,210.4	–	–	–
4	Loans and advances to customers	43,312.3	43,312.3	43,312.3	–	–	–
5	Derivative financial instruments	1,461.9	1,461.9	–	1,461.9	–	–
6	Investments	5.2	5.2	5.2	–	–	–
7	Intangible assets	20.7	20.7	–	–	–	20.7
8	Investment properties	14.4	14.4	14.4	–	–	–
9	Properties held for sale	0.3	0.3	0.3	–	–	–
10	Property, plant and equipment	119.0	119.0	119.0	–	–	–
11	Deferred tax assets	–	–	–	–	–	–
12	Retirement benefit surplus	90.9	90.9	–	–	–	90.9
13	Other assets	30.5	25.0	25.0	–	–	–
14	<b>Total assets</b>	<b>56,410.3</b>	<b>56,404.8</b>	<b>54,636.7</b>	<b>1,461.9</b>	<b>194.6</b>	<b>111.6</b>

## UK LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (continued)

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
		£m	£m	£m	£m	£m	£m	£m
<b>Breakdown by liability classes according to the balance sheet in the published financial statements</b>								
1	Shares	37,739.0	37,739.0	–	–	–	–	37,739.0
2	Amounts owed to credit institutions	6,569.6	6,569.6	–	–	–	–	6,569.6
3	Other deposits	1,123.3	1,123.3	–	–	–	–	1,123.3
4	Debt securities in issue	6,008.9	6,008.9	–	–	–	–	6,008.9
5	Derivative financial instruments	467.3	467.3	–	467.3	–	–	–
6	Current Tax liabilities	9.4	9.4	–	–	–	–	9.4
7	Deferred Tax liabilities	37.7	37.7	–	–	–	–	37.7
8	Other liabilities	75.9	75.9	–	–	–	–	75.9
9	Provisions	6.6	6.6	–	–	–	–	6.6
10	Subordinated liabilities	1,102.9	1,102.9	–	–	–	–	1,102.9
11	<b>Total liabilities</b>	<b>53,140.6</b>	<b>53,140.6</b>	<b>–</b>	<b>467.3</b>	<b>–</b>	<b>–</b>	<b>52,673.3</b>

## UK LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
		£m	£m	£m	£m	£m
1	Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	56,293.2	54,636.7	194.6	1,461.9	–
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	467.3	–	–	467.3	–
3	Total net amount under the regulatory scope of consolidation	55,825.9	54,636.7	194.6	994.6	–
4	Off-balance-sheet amounts	15,130.6	15,130.6	–	–	–
5	Differences in valuations	–	–	–	–	–
6	Differences due to different netting rules, other than those already included in row 2	–	–	–	–	–
7	Differences due to consideration of provisions	–	–	–	–	–
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(9,005.2)	(9,005.2)	–	–	–
9	Differences due to credit conversion factors	(2,699.4)	(2,699.4)	–	–	–
10	Differences due to Securitisation with risk transfer	–	–	–	–	–
11	Other differences	641.1	504.8	–	136.3	–
12	Exposure amounts considered for regulatory purposes	59,893.0	58,567.5	194.6	1,130.9	–



## UK LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Accord Mortgages Limited	Full consolidation	X					Mortgage lending
BCS Loans and Mortgages Limited	Full consolidation	X					Small and Dormant
Brass No.5 Mortgage Holdings Limited*	Full consolidation	X					Holding Co. for SPV
Brass No.5 PLC*	Full consolidation	X					SPV
Brass No.6 Mortgage Holdings Limited	Full consolidation	X					Holding Co. for SPV
Brass No.6 PLC	Full consolidation	X					SPV
Brass No.7 Mortgage Holdings Limited	Full consolidation	X					Holding Co. for SPV
Brass No.7 PLC	Full consolidation	X					SPV
Brass No.8 Mortgage Holdings Limited	Full consolidation	X					Holding Co. for SPV
Brass No.8 PLC	Full consolidation	X					SPV
Brass No.9 Mortgage Holdings Limited	Full consolidation	X					Holding Co. for SPV
Brass No.9 PLC	Full consolidation	X					SPV
Brass No.10 Mortgage Holdings Limited	Full consolidation	X					Holding Co. for SPV
Brass No.10 PLC	Full consolidation	X					SPV
Chelsea Mortgage Services Ltd	Full consolidation	X					Small and Dormant
Norwich and Peterborough (LBS) Limited	Full consolidation	X					Mortgage finance
Norwich and Peterborough Insurance Brokers Limited	Full consolidation	X					Non-trading
Tombac No.2 Mortgage Holdings Limited*	Full consolidation	X					Holding Co. for SPV
Tombac No.2 PLC*	Full consolidation	X					SPV
Tombac No.3 Mortgage Holdings Limited	Full consolidation	X					Holding Co. for SPV
Tombac No.3 PLC	Full consolidation	X					SPV
YBS Covered Bonds Finance (Holdings) Limited	Full consolidation	X					Holding Co. for SPV
YBS Covered Bonds Finance Limited	Full consolidation	X					Liquidation vehicle for SPV
YBS Group Ltd	Full consolidation	X					Small and Dormant
YBS Ltd	Full consolidation	X					Small and Dormant
YBS Pension Trustees Limited	Full consolidation	X					Small and Dormant
YBS Properties (Edinburgh) Limited	Full consolidation	X					Property holding
Yorkshire Building Society	Full consolidation	X					Credit Institution
Yorkshire Building Society Covered Bonds LLP	Full consolidation	X					SPV
Yorkshire Direct Ltd	Full consolidation	X					Small and Dormant
Yorkshire Group Ltd	Full consolidation	X					Small and Dormant
Yorkshire Insurance Services Ltd	Full consolidation	X					Small and Dormant
Yorkshire Key Services Limited	Full consolidation				X		Small and Dormant
Yorkshire Life Assurance Services Ltd	Full consolidation	X					Small and Dormant
Yorkshire Mortgage Services Ltd	Full consolidation	X					Small and Dormant
Yorkshire Personal Financial Services Ltd	Full consolidation	X					Small and Dormant
Yorkshire Property Services Ltd	Full consolidation	X					Small and Dormant
Yorkshire Services Ltd	Full consolidation				X		Small and Dormant

\* in liquidation

\*\* incorporated during the year

## UK PV1 – Prudent valuation adjustments (PVA)

Category level AVA	a	b	c	d	e	UK e1	UK e2	f	g	h
	Risk category					Category level AVA – Valuation uncertainty		Total category level post-diversification		
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Market price uncertainty									
2	Set not applicable in the UK									
3	Close-out cost									
4	Concentrated positions									
5	Early termination									
6	Model risk									
7	Operational risk									
8	Set not applicable in the UK									
9	Set not applicable in the UK									
10	Future administrative costs									
11	Set not applicable in the UK									
12	<b>Total Additional Valuation Adjustments (AVAs)</b>							<b>6.2</b>		

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.

## ANNEX VII : OWN FUNDS

## UK CC1 – Composition of regulatory own funds

		(a)	(b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
		£m	
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	–	
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	3,051.4	
3	Accumulated other comprehensive income (and other reserves)	26.7	
UK-3a	Funds for general banking risk	–	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	–	
5	Minority interests (amount allowed in consolidated CET1)	–	
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	186.1	
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>3,264.3</b>	(d)
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	(6.2)	
8	Intangible assets (net of related tax liability) (negative amount)	(20.7)	(a)
9	Empty set in the UK		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	–	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(21.9)	
12	Negative amounts resulting from the calculation of expected loss amounts	–	
13	Any increase in equity that results from securitised assets (negative amount)	–	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–	
15	Defined-benefit pension fund assets (negative amount)	(65.4)	(b)
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	–	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	
20	Empty set in the UK		
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	–	
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	–	
UK-20c	of which: securitisation positions (negative amount)	–	
UK-20d	of which: free deliveries (negative amount)	–	

## UK CC1 – Composition of regulatory own funds (continued)

		(a)	(b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
		£m	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	–	
22	Amount exceeding the 17,65% threshold (negative amount)	–	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	–	
24	Empty set in the UK		
25	of which: deferred tax assets arising from temporary differences	–	
UK-25a	Losses for the current financial year (negative amount)	–	
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	–	
26	Empty set in the UK		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	–	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	–	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(114.3)</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>3,150.0</b>	
<b>Additional Tier 1 (AT1) capital: instruments</b>			
30	Capital instruments and the related share premium accounts	–	
31	of which: classified as equity under applicable accounting standards	–	
32	of which: classified as liabilities under applicable accounting standards	–	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	–	
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	–	
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	–	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	–	
35	of which: instruments issued by subsidiaries subject to phase out	–	
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	–	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	–	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	–	
41	Empty set in the UK		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	–	
42a	Other regulatory adjustments to AT1 capital	–	

## UK CC1 – Composition of regulatory own funds (continued)

		(a)	(b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
		£m	
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	–	
44	<b>Additional Tier 1 (AT1) capital</b>	–	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>3,150.0</b>	
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	304.8	(c)
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	–	
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	–	
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	–	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	–	
49	of which: instruments issued by subsidiaries subject to phase out	–	
50	Credit risk adjustments	–	
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>304.8</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	–	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	
54a	Empty set in the UK		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	–	
56	Empty set in the UK		
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	–	
UK-56b	Other regulatory adjustments to T2 capital	–	
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>–</b>	
58	<b>Tier 2 (T2) capital</b>	<b>304.8</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>3,454.8</b>	
60	<b>Total Risk exposure amount</b>	<b>18,986.4</b>	
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.59%	
62	Tier 1 (as a percentage of total risk exposure amount)	16.59%	
63	Total capital (as a percentage of total risk exposure amount)	18.20%	

## UK CC1 – Composition of regulatory own funds (continued)

		(a)	(b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
		£m	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	7.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.00%	
67	of which: systemic risk buffer requirement	0.00%	
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00%	
68	<b>Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)</b>	<b>10.20%</b>	
69	[non relevant in UK]		
70	[non relevant in UK]		
71	[non relevant in UK]		
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	–	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	–	
74	Empty set in the UK		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	–	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	–	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	–	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	–	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	–	

Notes

(b) Defined-benefit pension asset equals the retirement benefit assets on the balance sheet net of associated deferred tax liabilities

(c) Includes subordinated notes eligible as Tier 2 capital

## UK CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
		£m	£m	
<b>Assets – Breakdown by asset class according to the balance sheet in the published financial statements</b>				
1	Cash and balances with the Bank of England	5,526.9	5,526.9	
2	Loans and advances to credit institutions	617.8	617.8	
3	Debt securities	5,210.4	5,210.4	
4	Loans and advances to customers	43,312.3	43,312.3	
5	Derivative financial instruments	1,461.9	1,461.9	
6	Investments	5.2	5.2	
7	Intangible assets	20.7	20.7	(a)
8	Investment properties	14.4	14.4	
9	Properties held for sale	0.3	0.3	
10	Property, plant and equipment	119.0	119.0	
11	Deferred tax assets	–	–	
12	Retirement benefit surplus	90.9	90.9	(b)
13	Other assets	30.5	25.0	
14	<b>Total assets</b>	<b>56,410.3</b>	<b>56,404.8</b>	
<b>Liabilities – Breakdown by liability class according to the balance sheet in the published financial statements</b>				
1	Shares	37,739.0	37,739.0	
2	Amounts owed to credit institutions	6,569.6	6,569.6	
3	Other deposits	1,123.3	1,123.3	
4	Debt securities in issue	6,008.9	6,008.9	
5	Derivative financial instruments	467.3	467.3	
6	Current Tax liabilities	9.4	9.4	
7	Deferred Tax liabilities	37.7	37.7	(b)
8	Other liabilities	75.9	75.9	
9	Provisions	6.6	6.6	
10	Subordinated liabilities	1,102.9	1,102.9	(c)
11	<b>Total liabilities</b>	<b>53,140.6</b>	<b>53,140.6</b>	
<b>Shareholders' Equity</b>				
1	Member's interest and equity	3,269.7	3,264.2	
2	<b>Total shareholders' equity</b>	<b>3,269.7</b>	<b>3,264.2</b>	(d)

## UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – Tier 2

		Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format
1	Issuer	Yorkshire Building Society (WXDOEHQRPI7HKN315T57)	Yorkshire Building Society (WXDOEHQRPI7HKN315T57)	Yorkshire Building Society (WXDOEHQRPI7HKN315T57)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1681849300	XS0096893465	XS0498549194
2a	Public or private placement	Public	Public	Public
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Tier 2	Convertible Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2	Convertible Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2	Tier 2	Convertible Tier 2
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£288.0m	£3.9m	£26.4m
8a	Amount recognised in regulatory capital	£288.0m	£1.4m	£15.3m
8b	Amount recognised in MREL but not eligible for regulatory capital	–	£2.5m	£11.1m
9	Nominal amount of instrument	£300.0m	£3.9m	£25.6m
UK-9a	Issue price	99.389	97.983	100
UK-9b	Redemption price	100	100	100
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	13-Sep-17	26-Apr-99	01-Apr-10
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	13-Sep-28	26-Apr-24	01-Apr-25
14	Issuer call subject to prior supervisory approval	Yes	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	13/09/2027, no contingent call dates and redemption amount in full at par	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	3.375%	6.375%	13.500%



## UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – Tier 2 (continued)

		Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format
19	Existence of a dividend stopper	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Convertible
24	If convertible, conversion trigger(s)	N/A	N/A	The Conversion Trigger shall occur if on any Calculation Date the Issuer's Consolidated Core Tier 1 Ratio, as confirmed in a report of the auditors to the Issuer and addressed by the board of directors of the Issuer, is less than 5%
25	If convertible, fully or partially	N/A	N/A	Fully
26	If convertible, conversion rate	N/A	N/A	One PPDS per Note (Notes have a denomination of £500)
27	If convertible, mandatory or optional conversion	N/A	N/A	Mandatory
28	If convertible, specify instrument type convertible into	N/A	N/A	Profit Participating Preferred Shares (PPDS)
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	Yorkshire Building Society
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Yes	Yes	Yes
32	If write-down, full or partial	<p>Under the UK Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the PRA, the FCA and the Bank of England (together, the "Authorities") as part of a special resolution regime (the "SRR").</p> <p>The Banking Act contains a capital write-down tool which enables (and, if the institution enters into resolution, requires) the relevant Authorities permanently to write-down, or convert into common equity tier 1 instruments (which, in the case of the Issuer, could be core capital deferred shares), any Tier 1 capital instruments and Tier 2 capital instruments (including Subordinated Notes issued under the Programme) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power.</p>	<p>Under the UK Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the PRA, the FCA and the Bank of England (together, the "Authorities") as part of a special resolution regime (the "SRR").</p> <p>The Banking Act contains a capital write-down tool which enables (and, if the institution enters into resolution, requires) the relevant Authorities permanently to write-down, or convert into common equity tier 1 instruments (which, in the case of the Issuer, could be core capital deferred shares), any Tier 1 capital instruments and Tier 2 capital instruments (including Subordinated Notes issued under the Programme) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power.</p>	<p>Under the UK Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the PRA, the FCA and the Bank of England (together, the "Authorities") as part of a special resolution regime (the "SRR").</p> <p>The Banking Act contains a capital write-down tool which enables (and, if the institution enters into resolution, requires) the relevant Authorities permanently to write-down, or convert into common equity tier 1 instruments (which, in the case of the Issuer, could be core capital deferred shares), any Tier 1 capital instruments and Tier 2 capital instruments (including Subordinated Notes issued under the Programme) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power.</p>

## UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – Tier 2 (continued)

		Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format
33	If write-down, permanent or temporary	Permanently	Permanently	Permanently
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Statutory	Statutory	Statutory
UK-34b	Ranking of the instrument in normal insolvency proceedings	The Subordinated Notes rank junior to the Senior Non-Preferred Notes which rank Junior to the Senior Preferred Notes, which, in turn, rank junior to those of the Issuer's obligations which are by law given priority over its Senior Preferred Notes, including its retail member deposits.	The Subordinated Notes rank junior to the Senior Non-Preferred Notes which rank Junior to the Senior Preferred Notes, which, in turn, rank junior to those of the Issuer's obligations which are by law given priority over its Senior Preferred Notes, including its retail member deposits.	The Subordinated Convertible Tier 2 notes rank junior to the Tier 2 notes which rank Junior to the Senior Non-Preferred Notes which rank Junior to the Senior Preferred Notes, which, in turn, rank junior to those of the Issuer's obligations which are by law given priority over its Senior Preferred Notes, including its retail member deposits.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Non-Preferred	Senior Non-Preferred	Tier 2
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	<a href="https://www.ybs.co.uk/your-society/treasury/funding-programmes#">https://www.ybs.co.uk/your-society/treasury/funding-programmes#</a> Medium term notes > Final Terms > Final Terms 2028 Tier 2 – (XS1681849300)	<a href="https://www.ybs.co.uk/your-society/treasury/funding-programmes#">https://www.ybs.co.uk/your-society/treasury/funding-programmes#</a> Medium term notes > Final Terms > Final Terms 2024 Tier 2 – (XS0096893465)	<a href="https://www.ybs.co.uk/your-society/treasury/funding-programmes#">https://www.ybs.co.uk/your-society/treasury/funding-programmes#</a> Capital > Convertible Capital Note Listing Document

## UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – SNP

		Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format
1	Issuer	Yorkshire Building Society (WXDOEHQRPI7HKN315T57)	Yorkshire Building Society (WXDOEHQRPI7HKN315T57)	Yorkshire Building Society (WXDOEHQRPI7HKN315T57)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1982838275	XS2385755835	XS2467494774
2a	Public or private placement	Public	Public	Public
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Senior Non-Preferred	Senior Non-Preferred	Senior Non-Preferred
5	Post-transitional CRR rules	Senior Non-Preferred	Senior Non-Preferred	Senior Non-Preferred
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated	solo&(sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior Non-Preferred	Senior Non-Preferred	Senior Non-Preferred
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£265.3m	£226.3m	£293.0m
8a	Amount recognised in regulatory capital	–	–	–
8b	Amount recognised in MREL but not eligible for regulatory capital	£265.3m	£226.3m	£293.0m
9	Nominal amount of instrument	£275.0m	£250.0m	£300.0m
UK-9a	Issue price	99.976	99.186	100
UK-9b	Redemption price	100	100	100
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18-Apr-19	15-Sep-21	11-Apr-22
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	18-Apr-25	15-Sep-29	11-Oct-30
14	Issuer call subject to prior supervisory approval	Yes	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	18/04/2024, no contingent call dates and redemption amount in full at par	15/09/2028, no contingent call dates and redemption amount in full at par	11/10/2029, no contingent call dates and redemption amount in full at par
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	3.000%	1.500%	3.511%

## UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – SNP (continued)

		Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format
19	Existence of a dividend stopper	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Yes	Yes	Yes
32	If write-down, full or partial	<p>Under the UK Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the PRA, the FCA and the Bank of England (together, the "Authorities") as part of a special resolution regime (the "SRR").</p> <p>The Banking Act contains a capital write-down tool which enables (and, if the institution enters into resolution, requires) the relevant Authorities permanently to write-down, or convert into common equity tier 1 instruments (which, in the case of the Issuer, could be core capital deferred shares), any Tier 1 capital instruments and Tier 2 capital instruments (including Subordinated Notes issued under the Programme) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power. Senior Non-Preferred Notes issued under the Programme may similarly be subject to the capital write-down tool, if used in combination with a resolution tool.</p>	<p>Under the UK Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the PRA, the FCA and the Bank of England (together, the "Authorities") as part of a special resolution regime (the "SRR").</p> <p>The Banking Act contains a capital write-down tool which enables (and, if the institution enters into resolution, requires) the relevant Authorities permanently to write-down, or convert into common equity tier 1 instruments (which, in the case of the Issuer, could be core capital deferred shares), any Tier 1 capital instruments and Tier 2 capital instruments (including Subordinated Notes issued under the Programme) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power. Senior Non-Preferred Notes issued under the Programme may similarly be subject to the capital write-down tool, if used in combination with a resolution tool.</p>	<p>Under the UK Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the PRA, the FCA and the Bank of England (together, the "Authorities") as part of a special resolution regime (the "SRR").</p> <p>The Banking Act contains a capital write-down tool which enables (and, if the institution enters into resolution, requires) the relevant Authorities permanently to write-down, or convert into common equity tier 1 instruments (which, in the case of the Issuer, could be core capital deferred shares), any Tier 1 capital instruments and Tier 2 capital instruments (including Subordinated Notes issued under the Programme) at the point of non-viability of the relevant entity and before or together with the exercise of any stabilisation power. Senior Non-Preferred Notes issued under the Programme may similarly be subject to the capital write-down tool, if used in combination with a resolution tool.</p>
33	If write-down, permanent or temporary	Permanently	Permanently	Permanently

## UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments – SNP (continued)

		Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format	Qualitative or quantitative information – Free format
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Statutory	Statutory	Statutory
UK-34b	Ranking of the instrument in normal insolvency proceedings	The Senior Non-Preferred notes rank junior to the Senior Preferred Notes, which, in turn, rank junior to those of the Issuer's obligations which are by law given priority over its Senior Preferred Notes, including its retail member deposits.	The Senior Non-Preferred notes rank junior to the Senior Preferred Notes, which, in turn, rank junior to those of the Issuer's obligations which are by law given priority over its Senior Preferred Notes, including its retail member deposits.	The Senior Non-Preferred notes rank junior to the Senior Preferred Notes, which, in turn, rank junior to those of the Issuer's obligations which are by law given priority over its Senior Preferred Notes, including its retail member deposits.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Preferred	Senior Preferred	Senior Preferred
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	<a href="https://www.ybs.co.uk/your-society/treasury/funding-programmes#">https://www.ybs.co.uk/your-society/treasury/funding-programmes#</a> Medium term notes > Final Terms > Final Terms – 3.000% 2024 – (XS1982838275)	<a href="https://www.ybs.co.uk/your-society/treasury/funding-programmes#">https://www.ybs.co.uk/your-society/treasury/funding-programmes#</a> Medium term notes > Final Terms > Final Terms – 1.50% 2028 – (XS2385755835)	<a href="https://www.ybs.co.uk/your-society/treasury/funding-programmes#">https://www.ybs.co.uk/your-society/treasury/funding-programmes#</a> Medium term notes > Final Terms > Final Terms – 3.511% 2029 – (XS2467494774)

## ANNEX IX : COUNTERCYCLICAL CAPITAL BUFFERS

## UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	a	b	c		d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate	
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Relevant credit risk exposures – Credit risk				Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total				
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
010 <b>Breakdown by country:</b>														
United Kingdom	48,064.1	–	–	–	194.6	48,258.7	1,401.7	–	1.6	1,403.3	17,540.8	100.1	–	
020 <b>Total</b>	<b>48,064.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>194.6</b>	<b>48,258.7</b>	<b>1,401.7</b>	<b>–</b>	<b>1.6</b>	<b>1,403.3</b>	<b>17,540.8</b>	<b>100.1</b>		

## UK CCyB2 – Amount of institution-specific countercyclical capital buffer

		a
		£m
1	Total risk exposure amount	18,986.4
2	Institution specific countercyclical capital buffer rate	–
3	Institution specific countercyclical capital buffer requirement	–

## ANNEX XI : LEVERAGE RATIO

## UK LR2 – LRCom – Leverage ratio common disclosure

		a	b
		Leverage ratio exposures	
		30/06/2022	31/03/2022
		£m	£m
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	54,017.3	52,051.8
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	480.6	421.6
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–	–
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	–	–
5	(General credit risk adjustments to on-balance sheet items)	–	–
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(114.3)	(126.5)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>54,383.6</b>	<b>52,346.9</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	666.3	568.3
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	–	–
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	77.3	72.4
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	–	–
UK-9b	Exposure determined under the original exposure method	–	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	–	–
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	–	–
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	–	–
11	Adjusted effective notional amount of written credit derivatives	–	–
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
13	<b>Total derivatives exposures</b>	<b>743.6</b>	<b>640.7</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	445.0	487.5
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(445.0)	(485.6)
16	Counterparty credit risk exposure for SFT assets	–	–
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	–	–
17	Agent transaction exposures	–	–
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	–	–
18	<b>Total securities financing transaction exposures</b>	<b>–</b>	<b>1.8</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	7,448.3	6,091.9
20	(Adjustments for conversion to credit equivalent amounts)	(2,682.6)	(2,565.2)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	–	–
22	<b>Off-balance sheet exposures</b>	<b>4,765.7</b>	<b>3,526.6</b>

## UK LR2 – LRCom – Leverage ratio common disclosure (continued)

		a	b
		Leverage ratio exposures	
		30/06/2022	31/03/2022
		£m	£m
<b>Excluded exposures</b>			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	–	–
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	–	–
UK-22g	(Excluded excess collateral deposited at triparty agents)	–	–
UK-22k	<b>(Total exempted exposures)</b>	–	–
<b>Capital and total exposure measure</b>			
23	Tier 1 capital (leverage)	3,150.0	2,970.7
24	Total exposure measure including claims on central banks	59,893.0	56,516.0
UK-24a	(–) Claims on central banks excluded	(5,363.1)	(5,210.9)
UK-24b	<b>Total exposure measure excluding claims on central banks</b>	<b>54,529.9</b>	<b>51,305.0</b>
<b>Leverage ratio</b>			
25	Leverage ratio excluding claims on central banks (%)	5.78%	5.79%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)		
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)		
UK-25c	Leverage ratio including claims on central banks (%)		
26	Regulatory minimum leverage ratio requirement (%)		
<b>Additional leverage ratio disclosure requirements – leverage ratio buffers</b>			
27	Leverage ratio buffer (%)		
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)		
UK-27b	Of which: countercyclical leverage ratio buffer (%)		
<b>Additional leverage ratio disclosure requirements – disclosure of mean values</b>			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
UK-31	Average total exposure measure including claims on central banks		
UK-32	Average total exposure measure excluding claims on central banks		
UK-33	Average leverage ratio including claims on central banks		
UK-34	Average leverage ratio excluding claims on central banks		

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.



## ANNEX XIII : LIQUIDITY REQUIREMENTS

## UK LIQ1 – Quantitative information of LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
UK 1a	Quarter ending on (DD Month YYYY)	30/06/2022	31/03/2022	31/12/2021	30/09/2021	30/06/2022	31/03/2022	31/12/2021	30/09/2021
UK 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>High-quality liquid assets</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
1	Total high-quality liquid assets (HQLA)					8,162.9	7,491.1	6,992.8	6,391.8
<b>Cash – outflows</b>									
2	Retail deposits and deposits from small business customers, of which:	36,365.8	35,728.0	35,133.4	34,485.2	2,504.4	2,438.6	2,376.5	2,316.1
3	Stable deposits	18,888.1	18,724.5	18,473.1	18,138.4	944.4	936.2	923.7	906.9
4	Less stable deposits	17,477.7	17,003.5	16,660.2	16,346.7	1,560.0	1,502.3	1,452.9	1,409.1
5	Unsecured wholesale funding	215.8	160.8	111.3	86.6	193.6	146.0	100.1	76.8
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–	–	–	–	–	–	–
7	Non-operational deposits (all counterparties)	166.3	76.0	39.7	17.6	144.1	61.2	28.5	7.8
8	Unsecured debt	49.5	84.8	71.5	69.0	49.5	84.8	71.5	69.0
9	Secured wholesale funding					2.5	1.2	0.4	–
10	Additional requirements	1,217.5	1,050.6	924.3	876.9	952.3	735.3	565.8	499.5
11	Outflows related to derivative exposures and other collateral requirements	922.8	700.3	526.0	457.5	922.8	700.3	526.0	457.5
12	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
13	Credit and liquidity facilities	294.7	350.3	398.3	419.3	29.5	35.0	39.8	41.9
14	Other contractual funding obligations	27.9	27.2	27.9	27.1	0.8	0.5	1.3	1.6
15	Other contingent funding obligations	2,850.4	2,924.2	2,854.7	2,798.4	1,083.2	1,111.2	1,084.8	1,063.4
16	Total cash outflows					4,736.8	4,432.7	4,128.9	3,957.3
<b>Cash – inflows</b>									
17	Secured lending (e.g. reverse repos)	237.8	247.2	177.9	210.2	–	–	–	–
18	Inflows from fully performing exposures	314.2	309.7	310.9	318.5	157.6	154.7	152.1	150.3
19	Other cash inflows	21.4	62.9	60.9	61.8	21.4	62.9	60.9	61.8
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
UK-19b	(Excess inflows from a related specialised credit institution)					–	–	–	–
20	Total cash inflows	573.4	619.7	549.7	590.5	179.0	217.6	213.0	212.0
UK-20a	Fully exempt inflows	–	–	–	–	–	–	–	–
UK-20b	Inflows subject to 90% cap	–	–	–	–	–	–	–	–
UK-20c	Inflows subject to 75% cap	573.4	619.7	549.7	590.5	179.0	217.6	213.0	212.0
<b>Total adjusted value</b>									
UK-21	Liquidity buffer					8,162.9	7,491.1	6,992.8	6,391.8
22	Total net cash outflows					4,557.8	4,215.1	3,915.9	3,745.2
23	Liquidity coverage ratio					179.64%	177.75%	178.57%	171.61%

## UK LIQB – Qualitative information on LCR, which complements UK LIQ1

### in accordance with Article 451a(2) CRR

#### (a) Explanations on the main drivers of LCR results

The upward trend in the Society's average LCR across quarters is driven by an increased HQLA balance following the Society's drawings on the TFSME scheme made in H2 2021.

#### (b) Explanations on the changes in the LCR over time

The Society's 12 month average LCR (calculated using 12 previous month end points) as at 30th June 2022 was 179.64%. This represents a 1.9% increase on the average of the 12 month end points leading up to 31 March 2022. Despite the slight increase in average ratio, the average surplus to a 100% ratio remains relatively unchanged with increased stocks of HQLA driven from TFSME drawings offset by roughly equal increases in average net outflows from the impact of adverse market scenarios on derivative transactions, calculated through an historic look-back approach.

#### (c) Explanations on the actual concentration of funding sources

The Society remains committed to maintaining a diverse funding base to underpin its liquidity position, with risk appetite limits in place around both the diversity (by funding type & currency) & maturity profile of its wholesale funding base. In addition to this the Society has further limits in place to ensure that an appropriate minimum proportion of the Society's activity is funded through retail deposits at all times, with the maturity profile & product concentration of these deposits also monitored within the Society's risk appetite statement.

#### (d) High-level description of the composition of the institution's liquidity buffer

The Society maintains a diverse profile of high quality liquid assets, with geographical diversification, minimum reserve amounts and SMF eligibility; all core considerations of the Society's investments strategy.

#### (e) Derivative exposures and potential collateral calls

The Society's derivative requirements can be mainly summarised as those arising from a material (3 notch) deterioration in the Society's own credit rating, as well as outflows relating to the impact of adverse rate scenarios upon the Society's collateralised derivative contracts. As part of the latter, the Society calculates an excess collateral requirement against plausible upcoming calls based off the most recent value of its collateralised derivative positions.

#### (f) Currency mismatch in the LCR

The Society's core operations are transacted in GBP, with any funding accessed in other currencies hedged back to GBP at execution.

#### (g) Other items in the LCR calculation that are not captured in the LCR disclosure template

There are no other items that the Society considers relevant.

## ANNEX XV : RISK MANAGEMENT OBJECTIVES AND POLICIES, EXPOSURES TO CREDIT RISK, DILUTION RISK AND CREDIT QUALITY

### UK CR1 – Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	6,136.6	6,136.6	–	–	–	–	–	–	–	–	–	–	–	–	–
010	Loans and advances	42,608.0	38,691.9	3,916.1	758.0	–	342.4	(28.7)	(16.0)	(12.7)	(24.9)	–	(10.0)	(0.5)	42,579.2	733.0
020	Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
030	General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
040	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
050	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
060	Non-financial corporations	1,375.4	1,342.1	33.3	19.4	–	5.6	(2.3)	(0.8)	(1.5)	(1.0)	–	(0.3)	–	1,373.0	18.4
070	Of which SMEs	69.2	64.8	4.4	6.3	–	1.2	(0.1)	–	(0.1)	(0.3)	–	–	–	69.0	5.6
080	Households	41,232.6	37,349.8	3,882.8	738.6	–	336.8	(26.4)	(15.2)	(11.2)	(23.9)	–	(9.7)	(0.5)	41,206.2	714.5
090	Debt securities	5,211.0	5,211.0	–	–	–	–	(0.6)	(0.6)	–	–	–	–	–	–	–
100	Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
110	General governments	1,497.4	1,497.4	–	–	–	–	(0.2)	(0.2)	–	–	–	–	–	–	–
120	Credit institutions	3,318.1	3,318.1	–	–	–	–	(0.5)	(0.5)	–	–	–	–	–	–	–
130	Other financial corporations	395.5	395.5	–	–	–	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
150	Off-balance-sheet exposures	3,269.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–
160	Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
170	General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
180	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
190	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
200	Non-financial corporations	319.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–
210	Households	2,950.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–
220	<b>Total</b>	<b>57,225.3</b>	<b>50,039.5</b>	<b>3,916.1</b>	<b>758.0</b>	<b>–</b>	<b>342.4</b>	<b>(29.3)</b>	<b>(16.6)</b>	<b>(12.7)</b>	<b>(24.9)</b>	<b>–</b>	<b>(10.0)</b>	<b>(0.5)</b>	<b>42,579.2</b>	<b>733.0</b>

## UK CR1-A – Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
		£m	£m	£m	£m	£m	£m
1	Loans and advances	–	73.6	970.9	42,267.9	–	43,312.3
2	Debt securities	–	341.3	–	4,869.2	–	5,210.4
3	<b>Total</b>	–	<b>414.8</b>	<b>970.9</b>	<b>47,137.0</b>	–	<b>48,522.7</b>

## UK CQ1 – Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures		
Of which defaulted	Of which impaired								
		£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	–	–	–	–	–	–	–	–
010	Loans and advances	54.5	196.2	196.2	196.2	(0.4)	(7.5)	235.2	–
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	–	–	–	–	–	–	–
040	Credit institutions	–	–	–	–	–	–	–	–
050	Other financial corporations	–	–	–	–	–	–	–	–
060	Non-financial corporations	–	6.9	6.9	6.9	–	(0.4)	6.5	6.5
070	Households	54.5	189.3	189.3	189.3	(0.4)	(7.1)	228.8	–
080	Debt Securities	–	–	–	–	–	–	–	–
090	Loan commitments given	–	–	–	–	–	–	–	–
100	<b>Total</b>	<b>54.5</b>	<b>196.2</b>	<b>196.2</b>	<b>196.2</b>	<b>(0.4)</b>	<b>(7.5)</b>	<b>235.2</b>	<b>–</b>

## UK CQ5 – Credit quality of loans and advances by industry

		a	b	c	d	e	f
		£000	Gross carrying amount			Accumulated impairment £000	Accumulated negative changes in fair value due to credit risk on non-performing exposures £000
			Of which non-performing		Of which loans and advances subject to impairment £000		
			Of which defaulted				
		£000	£000	£000	£000	£000	£000
010	Agriculture, forestry and fishing	42.1	–	–	42.1	–	–
020	Mining and quarrying	–	–	–	–	–	–
030	Manufacturing	7,157.9	1,858.4	1,858.4	7,157.9	–	–
040	Electricity, gas, steam and air conditioning supply	–	–	–	–	–	–
050	Water supply	571.2	–	–	571.2	–	–
060	Construction	5,629.7	347.2	347.2	5,629.7	(3.5)	–
070	Wholesale and retail trade	16,784.1	904.8	904.8	16,784.1	(87.9)	–
080	Transport and storage	3,559.1	–	–	3,559.1	–	–
090	Accommodation and food service activities	8,771.8	1,637.0	1,637.0	8,771.8	(78.7)	–
100	Information and communication	3,159.9	–	–	3,159.9	–	–
110	Financial and insurance activities	1,211,708.6	10,982.7	10,982.7	1,211,708.6	(634.1)	–
120	Real estate activities	119,644.9	1,684.2	1,684.2	119,644.9	(2,338.0)	–
130	Professional, scientific and technical activities	7,690.6	921.5	921.5	7,690.6	(155.7)	–
140	Administrative and support service activities	1,710.2	455.5	455.5	1,710.2	(13.1)	–
150	Public administration and defence, compulsory social security	–	–	–	–	–	–
160	Education	314.5	–	–	314.5	–	–
170	Human health services and social work activities	4,322.1	629.5	629.5	4,322.1	(17.0)	–
180	Arts, entertainment and recreation	813.5	25.0	25.0	813.5	–	–
190	Other services	2,938.1	–	–	2,938.1	–	–
200	<b>Total</b>	<b>1,394,818.2</b>	<b>19,445.9</b>	<b>19,445.9</b>	<b>1,394,818.2</b>	<b>(3,328.0)</b>	<b>–</b>

## ANNEX XVII : CREDIT RISK MITIGATION TECHNIQUES

## UK CR3 – CRM techniques overview – Disclosure of the use of credit risk mitigation techniques

		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees		
		Of which secured by credit derivatives				
		£m	£m	£m	£m	£m
1	Loans and advances	6,136.7	43,312.2	43,312.2	–	–
2	Debt securities	5,210.4	–	–	–	–
3	<b>Total</b>	<b>11,347.1</b>	<b>43,312.2</b>	<b>43,312.2</b>	<b>–</b>	<b>–</b>
4	Of which non-performing exposures	0.1	733.0	733.0	–	–
5	Of which defaulted	–	–	–	–	–

## ANNEX XIX : CREDIT RISK (STANDARDISED APPROACH)

## UK CR4 – Standardised approach – Credit risk exposure and CRM effects

		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density
		£m	£m	£m	£m	£m	%
1	Central governments or central banks	6,385.2	10,779.5	6,688.6	4,003.5	–	–
2	Regional government or local authorities	–	–	–	–	–	–
3	Public sector entities	303.4	–	–	–	–	–
4	Multilateral development banks	544.3	–	544.3	–	–	–
5	International organisations	–	–	–	–	–	–
6	Institutions	1,185.0	1,018.9	1,185.0	112.6	461.5	35.56%
7	Corporates	–	–	–	–	–	–
8	Retail	–	–	–	–	–	–
9	Secured by mortgages on immovable property	44,727.2	3,332.2	44,727.2	632.9	16,876.4	37.21%
10	Exposures in default	121.6	–	121.6	–	121.6	100.03%
11	Exposures associated with particularly high risk	–	–	–	–	–	–
12	Covered bonds	2,086.4	–	2,086.4	–	208.6	10.00%
13	Institutions and corporates with a short-term credit assessment	113.1	–	113.1	–	22.6	20.00%
14	Collective investment undertakings	–	–	–	–	–	–
15	Equity	–	–	–	–	–	–
16	Other items	292.0	–	292.0	–	292.1	100.01%
17	<b>Total</b>	<b>55,758.2</b>	<b>15,130.6</b>	<b>55,758.2</b>	<b>4,748.9</b>	<b>17,982.8</b>	<b>29.72%</b>



## UK CR5 – Standardised approach

Exposure classes		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Risk weight															Total	
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	£m	Of which unrated
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Central governments or central banks	6,744.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6,744.9	–
2	Regional government or local authorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Public sector entities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Multilateral development banks	544.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	544.3	–
5	International organisations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Institutions	–	–	–	–	624.4	–	581.6	–	–	–	–	–	–	–	–	1,206.0	–
7	Corporates	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Retail exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Exposures secured by mortgages on immovable property	–	–	–	–	–	43,557.7	–	–	283.7	1,518.6	–	–	–	–	–	45,360.0	–
10	Exposures in default	–	–	–	–	–	–	–	–	–	121.5	0.1	–	–	–	–	121.6	–
11	Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Covered bonds	–	–	–	2,086.4	–	–	–	–	–	–	–	–	–	–	–	2,086.4	–
13	Exposures to institutions and corporates with a short-term credit assessment	–	–	–	–	113.1	–	–	–	–	–	–	–	–	–	–	113.1	–
14	Units or shares in collective investment undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Other items	–	–	–	–	–	–	–	–	–	292.0	–	–	–	–	–	292.0	–
17	<b>TOTAL</b>	<b>7,289.2</b>	<b>–</b>	<b>–</b>	<b>2,086.4</b>	<b>737.5</b>	<b>43,557.7</b>	<b>581.6</b>	<b>–</b>	<b>283.7</b>	<b>1,932.2</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>56,468.4</b>	<b>–</b>

## ANNEX XXV : COUNTERPARTY CREDIT RISK

## UK CCR1 – Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		£m	£m	£m	£m	£m	£m	£m	£m
UK1	Original Exposure Method (for derivatives)				1.4				
UK2	Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	475.9	55.2		1.4	743.6	743.6	740.3	115.3
2	IMM (for derivatives and SFTs)								
2a	Of which securities financing transactions netting sets								
2b	Of which derivatives and long settlement transactions netting sets								
2c	Of which from contractual cross-product netting sets								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					12,974.3	4,038.8	4,038.8	45.8
5	VaR for SFTs								
6	<b>Total</b>					<b>13,718.0</b>	<b>4,782.4</b>	<b>4,779.0</b>	<b>161.1</b>

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.

## UK CCR2 – Transactions subject to own funds requirements for CVA risk

		a	b
		Exposure value	RWEA
		£m	£m
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	201.8	207.7
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	<b>Total transactions subject to own funds requirements for CVA risk</b>	<b>201.8</b>	<b>207.7</b>

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.

## UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l
	Risk weight											Total exposure value
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Central governments or central banks	3,947.2	–	–	–	–	–	–	–	–	–	–	3,947.2
2 Regional government or local authorities	–	–	–	–	–	–	–	–	–	–	–	–
3 Public sector entities	–	–	–	–	–	–	–	–	–	–	–	–
4 Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–
5 International organisations	–	–	–	–	–	–	–	–	–	–	–	–
6 Institutions	–	412.0	–	–	–	290.0	–	–	–	–	–	702.0
7 Corporates	–	–	–	–	–	–	–	–	–	–	–	–
8 Retail	–	–	–	–	–	–	–	–	–	–	–	–
9 Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–
10 Other items	–	–	–	–	–	–	–	–	–	–	–	–
11 <b>Total exposure value</b>	<b>3,947.2</b>	<b>412.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>290.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,649.2</b>

## UK CCR5 – Composition of collateral for CCR exposures

Collateral type	a	b		c		d		e		f		
	Collateral used in derivatives transactions						Collateral used in securities financing transactions (SFTs)					
	Fair value of collateral received			Fair value of collateral posted			Fair value of collateral received			Fair value of collateral posted		
	Segregated		Unsegregated	Segregated		Unsegregated	Segregated		Unsegregated	Segregated		Unsegregated
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
1 Cash	–	1,605.9	–	1,631.9	–	5,431.1	446.1	–	–	–	–	
2 Debt	–	–	–	–	–	–	–	–	–	–	–	
3 Equity	–	–	–	–	–	–	–	–	–	–	–	
4 Other	–	–	–	–	–	3,504.4	12,528.2	–	–	–	–	
5 <b>Total</b>	<b>–</b>	<b>1,605.9</b>	<b>–</b>	<b>1,631.9</b>	<b>–</b>	<b>8,935.6</b>	<b>12,974.3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	

## UK CCR8 – Exposures to CCPs

		a	b
		Exposure value	RWEA
		£m	£m
1	<b>Exposures to QCCPs (total)</b>		10.6
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4.3	0.1
3	(i) OTC derivatives	4.3	0.1
4	(ii) Exchange-traded derivatives	–	–
5	(iii) SFTs	–	–
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	–	
8	Non-segregated initial margin	526.3	10.5
9	Prefunded default fund contributions	–	–
10	Unfunded default fund contributions	–	–
11	<b>Exposures to non-QCCPs (total)</b>		–
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	–	–
13	(i) OTC derivatives	–	–
14	(ii) Exchange-traded derivatives	–	–
15	(iii) SFTs	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	
18	Non-segregated initial margin	–	–
19	Prefunded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

## ANNEX XXVII : SECURITISATION POSITIONS

## UK-SEC1 – Securitisation exposures in the non-trading book

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Institution acts as originator							Institution acts as sponsor					Institution acts as investor			
	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total	
	STS		Non-STS		of which SRT	STS		Non-STS	STS			Non-STS				
of which SRT		of which SRT		of which SRT			of which SRT			of which SRT	of which SRT		of which SRT			
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
1 <b>Total exposures</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	194.6	-	194.6
2 Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	194.6	-	194.6
3 residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	194.6	-	194.6
4 credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## UK-SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 <b>Total exposures</b>	<b>194.6</b>	–	–	–	–	<b>194.6</b>					<b>19.5</b>				<b>1.6</b>		
2 Traditional securitisation	194.6	–	–	–	–	194.6					19.5				1.6		
3 Securitisation	194.6	–	–	–	–	194.6					19.5				1.6		
4 Retail underlying	194.6	–	–	–	–	194.6					19.5				1.6		
5 Of which STS	194.6	–	–	–	–	194.6					19.5				1.6		
6 Wholesale	–	–	–	–	–	–					–				–		
7 Of which STS	–	–	–	–	–	–					–				–		
8 Re-securitisation	–	–	–	–	–	–					–				–		
9 Synthetic securitisation	–	–	–	–	–	–					–				–		
10 Securitisation	–	–	–	–	–	–					–				–		
11 Retail underlying	–	–	–	–	–	–					–				–		
12 Wholesale	–	–	–	–	–	–					–				–		
13 Re-securitisation	–	–	–	–	–	–					–				–		

Where values are not required to be reported, owing to the size of YBS or other reasons, cells have been left blank.

## UK-SEC5 – Exposures securitised by the institution – Exposures in default and specific credit risk adjustments

	a	b	c
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period
£m	£m		
1 <b>Total exposures</b>	10,974.3	31.6	–
2 Retail (total)	10,974.3	31.6	–
3 residential mortgage	10,974.3	31.6	–
4 credit card	–	–	–
5 other retail exposures	–	–	–
6 re-securitisation	–	–	–
7 Wholesale (total)	–	–	–
8 loans to corporates	–	–	–
9 commercial mortgage	–	–	–
10 lease and receivables	–	–	–
11 other wholesale	–	–	–
12 re-securitisation	–	–	–

## ANNEX XXXVII : INTEREST RATE RISK IN THE BANKING BOOK

## UK IRRBB1 – Quantitative information on IRRBB

Period		a	c	e
		ΔEVE	ΔNII	Tier 1 capital
		30/06/2022	30/06/2022	30/06/2022
		£m	£m	£m
010	Parallel shock up	(177.1)	(42.0)	
020	Parallel shock down	8.3	51.0	
030	Steeper shock	(18.1)		
040	Flattener shock	10.4		
050	Short rates shock up	(48.5)		
060	Short rates shock down	21.7		
070	Maximum	(177.1)	51.0	
080	<b>Tier 1 capital</b>			3,150.0

Below is a description of the key drivers of the EVE and NII sensitivities which are presented in template UK IRRBB 1.

**EVE sensitivity** – EVE sensitivity, which is monitored quarterly, measures the change in the value of YBS's assets and liabilities, excluding equity, arising from a change in interest rates. The Society's most severe EVE sensitivity is the parallel shock up, with a decline in EVE of £177 million. This represents a ΔEVE as a percentage of Tier 1 capital of 5.6% which is within the regulatory 15% threshold. The most material driver of the sensitivity relates to reserves structural hedging, with a decline in EVE of £225 million arising from this due to the exclusion of YBS's own equity. The remainder of the sensitivity relates to the impact of the shape of the balance sheet gap, estimated change in customer behaviour and the extent to which they are assumed to use product optionality in the scenarios. Within the analysis, retail products are assumed to be able to price below 0% unless an explicit floor is included within the terms of their specific product. In reality, the Society is unlikely to implement negative savings rates other than as a last resort. The removal of this floor would result in increased EVE sensitivity to the parallel down shock.

**NII sensitivity** – NII sensitivity, which is monitored monthly, measures the extent to which NII is affected by changes in interest rates and varies over time due to several factors, such as short term timing mismatches between the repricing of fixed rate assets and liabilities, market conditions and strategic changes to the balance mix. As such, they should not be considered as a guide to future performance.

The parallel shock down, which assumes an unfloored 250-basis point reduction in GBP interest rates, is YBS's most significant NII sensitivity with an increase in NII of £51 million. This is driven primarily by the shape of the repricing gap, with more fixed rate liabilities than assets repricing over the 12 month shock horizon, and is complimented by impacts arising from other balance sheet hedging strategies and explicit optionality embedded within the Society's balance sheet. The result is significantly influenced by the assumption that any changes in underlying market rates are fully passed through to the administered retail mortgage and savings balances, with fixed-rate mortgages and savings which reinvest during the one-year horizon doing so at consistent commercial margins to those at which they mature.

As with the EVE sensitivity, retail products are assumed to be able to price below 0% unless an explicit floor is included within the terms of their specific product. Again, negative customer savings rates would only in reality be implemented as a last resort. If an implied customer rate floor of 0 basis points were to be applied to the Society's administered savings book, this would have resulted in a loss of c£92m over the 12 month shock horizon resulting in a total NII impact for the down shock scenario of a c.£41 million loss.



## GLOSSARY

<b>Additional Tier 1 (AT1) capital</b>	Capital that meets certain criteria set out in CRD IV. In particular, the criteria require that upon the occurrence of a trigger event, the AT1 capital instrument converts to a form of Common Equity Tier 1 capital or the principal is written down on a permanent basis; or grandfathered instruments such as Permanent Interest Bearing Shares (PIBS).
<b>Capital conservation buffer</b>	An additional layer of usable capital that can be drawn down when losses are incurred in a stress.
<b>Central Counterparties (CCP)</b>	A CCP is a clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, where a single bilateral contract between the buyer and seller is replaced with two contracts, one between the buyer and CCP and one between the seller and CCP.
<b>Common Equity Tier 1 (CET1) capital</b>	The highest quality regulatory capital resources, comprising retained earnings less regulatory adjustments, as defined under CRD IV. Equivalent to Core Tier 1 defined under previous CRD legislation.
<b>Common Equity Tier 1 capital ratio</b>	The ratio of Common Equity Tier 1 Capital to Risk Weighted Assets.
<b>Countercyclical buffer</b>	A capital buffer which aims to ensure that banking sector capital requirements take account of the macro-financial environment in which banks operate.
<b>Counterparty Credit Risk (CCR)</b>	Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.
<b>CRD IV</b>	The Capital Requirements Directive IV is an EU-wide legislative package that includes prudential rules for banks, building societies and investment firms. CRD IV has been adopted with slight modification by the UK following its exit from the EU.
<b>CRR</b>	The Capital Requirements Regulation that applied the Basel III framework in the EU and has been incorporated into UK regulation following the UK's exit from the EU.
<b>Credit risk</b>	The risk of financial loss arising from a failure of a customer or counterparty to settle their financial and contractual obligations as they fall due.
<b>Credit risk mitigation</b>	Techniques to reduce the potential loss in the event that a customer (borrower or counterparty) becomes unable to meet its obligations. This may include the taking of financial or physical security, the assignment of receivables or the use of credit derivatives, guarantees, credit insurance, set off or netting.
<b>Credit Valuation Adjustment (CVA)</b>	Adjustments applied to the fair values of derivatives to reflect the creditworthiness of the counterparty.
<b>ΔEVE</b>	The estimated change in the net present value of the Society's assets and liabilities (excl. equity) resulting from each supervisory shock scenario as prescribed in Rule 9.7 of the ICAA Part of the PRA Rulebook, calculated for the most recent reporting period as required by Rule 9.4A of the ICAA Part of the PRA Rulebook.
<b>High Quality Liquidity Assets (HQLA)</b>	Assets which can be easily and immediately converted into cash at little or no loss of value.
<b>Liquidity Coverage Ratio (LCR)</b>	A liquidity metric which aims to ensure that a firm maintains an adequate level of liquidity to meet its needs for a 30 calendar day time horizon under a severe stress scenario.
<b>ΔNII</b>	The estimated change in the Society's future net interest income as a result of the Parallel shock scenarios prescribed in Rule 9.7 of the ICAA Part of the PRA Rulebook, calculated over a 12-month period, under the assumption of a constant balance sheet; where maturing or repricing cash flows are replaced by new cash flows with identical features with regard to the amount, repricing period and spread components.
<b>Operational risk</b>	The risk of direct and indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

<b>Prudential Regulation Authority (PRA)</b>	The UK prudential regulator, which is a part of the Bank of England and alongside the FCA, has responsibility for the oversight of building societies, banks and insurers. The PRA's objective is to promote the safety and soundness of regulated firms.
<b>Securitisation</b>	A transaction or scheme where assets are sold to a Special Purpose Vehicle (SPV) in return for immediate cash payment. That vehicle raises the immediate cash payment by issuing debt securities in the form of tradable notes or commercial paper to wholesale investors who receive an income from the underlying assets. Some risk is retained on the balance sheet while the remaining risk is transferred to investors. Securitisations may be purchased or retained.
<b>Sterling Monetary Framework (SMF)</b>	The Bank of England's operations in the sterling money markets to maintaining monetary and financial stability.
<b>SREP</b>	Supervisory Review and Evaluation Process, the PRA assessment of a firm's own capital assessment (ICA) under Basel III Pillar 2.
<b>The Standardised Approach (credit risk)</b>	The standardised approach to credit risk, calculated by applying varying RWA percentages to credit exposures, depending on the underlying risk.
<b>The Standardised Approach (operational risk)</b>	The standardised approach to operational risk, calculated using three-year historical net income multiplied by a factor of between 12-18%, depending on the underlying business being considered.
<b>Systemic risk buffer</b>	Additional capital requirement which aims to address systemic risks that are not covered by the Capital Requirements Regulation.
<b>Term Funding Scheme with additional incentives for SMEs (TFSME)</b>	A scheme launched by the Bank of England designed to boost lending to households and businesses by providing term funding to banks and building societies participating in the scheme at rates close to Bank Rate.
<b>Tier 1 (T1) capital</b>	The sum total of Common Equity Tier 1 and Additional Tier 1 capital.
<b>Tier 1 capital ratio</b>	The ratio of Tier 1 capital to Risk Weighted Assets.
<b>Tier 2 (T2) capital</b>	A measure of regulatory capital that includes subordinated liabilities and provisions for collective impairment, less regulatory adjustments.
<b>Total capital ratio</b>	The ratio of total capital (Tier 1 and Tier 2) to Risk Weighted Assets.
<b>Total Capital Requirement (TCR)</b>	The total of Pillar 1 requirements and Pillar 2A requirements.

