

**YORKSHIRE  
BUILDING SOCIETY**

**Social Financing Annual Report**

**January 2025**

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## Summary of Social Financing Framework

### Use of Proceeds

Through the Social Financing Framework, Yorkshire Building Society (YBS) will use an amount equivalent to the net proceeds from SDI issuance finance and/or refinance new and/or existing Eligible Social Projects originated by the Society.

### Eligible Social Projects

Eligible Social Projects are categorized to the SBP social project category of Access to Essential Services (financing and financial services), and in turn are aligned to UN SDG targets 1.4, 10.2, 10.3, 11.1 and 11.33.



### Target Population

The target population for these Eligible Social Projects are customers who are underserved, owing to a lack of quality access to essential goods and services, and Social Housing. These include lending to borrowers that are (i) first-time buyers that have a low to medium annual income (vs national level); (ii) self-employed; (iii) individual contractors; and/or (iv) later life loans / lending into retirement, and Lending to Registered Providers/Social Housing Companies.

### Process for Project Evaluation and Selection

YBS has formed a Social Financing Working Group to carry out the evaluation and selection process of the Eligible Social Projects, and the allocation of an amount equivalent to the net proceeds from SDI issuance.

The Social Financing Working Group meets bi-annually and includes senior representatives from the Finance, Trading, Risk and People functions of the Society.

### Management of Proceeds

YBS has implemented internal accounting and financial management and information systems to track and report on the Eligible Social Projects and verify whether the net proceeds of each SDI have been fully allocated.

### Reporting

On an annual basis while the SDIs are outstanding or in the case of material changes, Yorkshire Building Society will prepare and publish a Social Financing Annual Report which will be made available on the YBS website (<https://www.ybs.co.uk/your-society/treasury/financial-performance>).

The report will include Allocation Reporting, detailing SDIs issued, and aggregated reporting of loans (re)financed by SDIs' net proceeds, and Impact Reporting, detailing where possible, qualitative and/or quantitative social impacts resulting from loans (re)financed by the SDIs' net proceeds.

### External Review

S&P Global were appointed to provide an external review in the form of a Second Party Opinion on this Framework, and to confirm alignment with the SBP and the UN SDGs. The Second Party Opinion is publicly available on the YBS website (<https://www.ybs.co.uk/your-society/treasury/financial-performance>).

## Social Bond Issuance

	ISIN	Issue Date	Final Maturity Date	Currency	Notional (£m)	Coupon
<b>Social RMBS (Brass 10)</b>	XS2297660156 / XS2297660586	30/03/2021	16/04/2069	USD / GBP	118.9 <sup>(1)</sup>	0.669% (Fixed) / Sonia +0.33%
<b>Social SNP</b>	XS2385755835	15/09/2021	15/09/2029	GBP	250.0	1.500% (Fixed)
<b>Social Covered Bond</b>	XS2385755835	16/11/2021	16/11/2028	EUR	427.6 <sup>(1)</sup>	0.010% (Fixed)
<b>Social Covered Bond</b>	XS2432612526	18/01/2022	18/01/2027	GBP	500.0	Sonia +0.27%
<b>Social SNP</b>	XS2467494774	11/04/2022	11/10/2030	GBP	300.0	3.511% (Fixed)

## 2024 Social Bond Issuance

No social bonds issued in 2024.

*Note: <sup>(1)</sup> non-GBP amounts converted to GBP at swap FX rate*

## **Allocation Reporting**

### **Eligible Social Asset Portfolio**

Social Bond proceeds have been fully allocated since issuance to a portfolio of Eligible Social Projects (ESP), based on the target populations specified in the Social Financing Framework last published in September 2021. The definitions of the target populations are detailed below:

#### **First-Time Buyer**

At least one borrower on the mortgage has never owned an interest in a residential property in the United Kingdom or anywhere else in the world and intends to occupy the property as their main residence. The average borrower income must be classified as low to medium, which is defined as being less than or equal to £37,960 based on the median full-time employee pay from the Office for National Statistics <sup>(1)</sup> or be on a specific Help-to-Buy product.

#### **Self-Employed**

At least one borrower on the mortgage does not work for a specific employer who pays them a consistent salary or wage, but instead works for themselves.

#### **Contractor**

At least one borrower on the mortgage undertakes work, often on a fixed term contract basis, to provide a skill or service to other companies.

#### **Later Life Lending**

At least one borrower on the mortgage will be over the age of 70 at the end of their mortgage term.

*Note: <sup>(1)</sup> Calculated based on annualising the median weekly full time income of £728 from the ONS 'Employee Earnings in the UK: 2024' October 24 bulletin <https://www.ons.gov.uk/employmentandlabourmarket/>*

## Allocation of Social Bond Proceeds

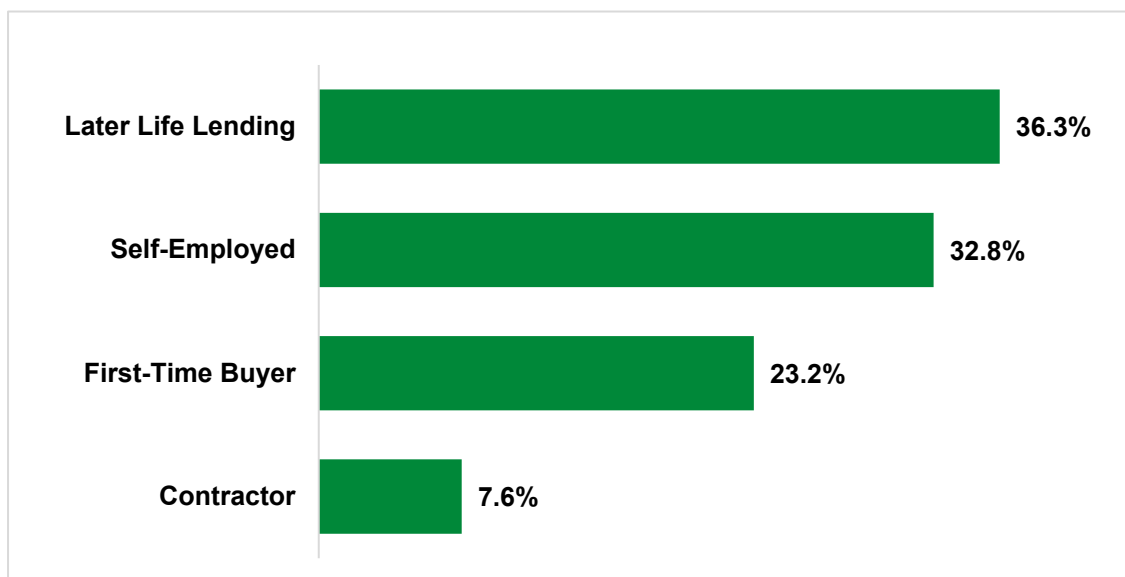
Social Bond proceeds have been fully allocated since issuance to a portfolio of ESP. Allocations to each target population have been based on the proportionate share of gross lending to each segment within the two-year look-back period <sup>(2)</sup> as outlined in the Social Financing Framework.

### Sterling Equivalent Social Bond Proceeds

Social Bond	Balance	%
Social Notes <sup>(1)</sup>	£1,477,600,000	92.5%
Social RMBS	£118,944,369	7.5%
<b>Total</b>	<b>£1,596,544,369</b>	<b>100.0%</b>

### Allocation to Target Populations

Target Population	Balance	%
First-Time Buyer	£370,736,993	23.2%
Self-Employed	£523,820,091	32.8%
Contractor	£121,851,340	7.6%
Later Life Lending	£580,135,944	36.3%
<b>Total</b>	<b>£1,596,544,369</b>	<b>100.0%</b>



Notes: <sup>(1)</sup> Social notes include both Social Senior Non-Preferred and Social Covered Bond proceeds; <sup>(2)</sup> Lookback period defined as up to 24 months prior to the time of the respective SDI issuance (this ranges from Nov-19 to Oct-22)

## Impact Reporting

The impact reporting is designed to provide further detail on the characteristics of the loans that have been financed by the Social Bond proceeds, as outlined above.

### Key Characteristics

Characteristic	First-Time Buyer	Self Employed	Contractors	Later Life Lending	Total Social Asset Portfolio
Aggregate Balance (£)	370,736,993	523,820,091	121,851,340	580,135,944	1,596,544,368
Number of Loans	2,941	2,425	455	2,634	8,455
Number of Beneficiaries	4,700	4,321	770	4,359	14,150
Average Loan (£)	126,058	216,008	267,805	220,249	188,828
Largest Loan (£)	413,515	5,008,441	1,673,687	4,156,066	5,008,441
Average Property Value (£)	213,329	473,758	463,856	436,659	371,080
Weighted Average LTV	63.92%	56.69%	63.86%	60.45%	60.28%
Weighted Average Interest Rate	3.34%	3.37%	3.44%	3.37%	3.37%
Average Borrower Income (£) <sup>(1)</sup>	24,714	41,105	63,471	43,953	37,755

### Detailed Analysis

Principal Amount Outstanding	First-Time Buyer		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
≤£100k	88,559,950	23.9%	37,584,659	7.2%	3,195,162	2.6%	37,428,892	6.5%
>£100k ≤£250k	241,009,982	65.0%	182,411,906	34.8%	35,591,303	29.2%	197,502,949	34.0%
>£250k ≤£500k	41,167,061	11.1%	195,278,047	37.3%	55,157,310	45.3%	246,113,094	42.4%
>£500k ≤£750k	0	0.0%	44,818,418	8.6%	20,100,276	16.5%	59,824,592	10.3%
>£750k ≤£1,000k	0	0.0%	19,952,532	3.8%	3,380,623	2.8%	14,230,457	2.5%
>£1,000k	0	0.0%	43,774,528	8.4%	4,426,667	3.6%	25,035,960	4.3%
<b>Total</b>	<b>370,736,993</b>	<b>100.0%</b>	<b>523,820,091</b>	<b>100.0%</b>	<b>121,851,340</b>	<b>100.0%</b>	<b>580,135,944</b>	<b>100.0%</b>

Note: <sup>(1)</sup> Calculated based on the average annual borrower income per loan

Region	First-Time Buyer		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
East Anglia	15,322,329	4.1%	23,474,329	4.5%	5,074,881	4.2%	24,590,062	4.2%
East Midlands	32,290,848	8.7%	27,823,185	5.3%	6,280,619	5.2%	34,088,994	5.9%
Greater London	15,550,019	4.2%	77,632,754	14.8%	27,091,562	22.2%	95,434,921	16.5%
North	28,587,828	7.7%	16,072,484	3.1%	4,371,627	3.6%	15,342,384	2.6%
North West	60,316,347	16.3%	50,508,723	9.6%	7,604,217	6.2%	50,854,911	8.8%
Northern Ireland	4,097,682	1.1%	7,347,257	1.4%	662,009	0.5%	5,087,087	0.9%
Scotland	32,414,180	8.7%	27,476,510	5.2%	7,476,632	6.1%	24,571,872	4.2%
South East	51,331,341	13.8%	157,790,530	30.1%	32,680,415	26.8%	186,848,393	32.2%
South West	23,395,433	6.3%	43,205,600	8.2%	10,352,835	8.5%	47,928,203	8.3%
Wales	22,834,611	6.2%	17,248,775	3.3%	3,368,614	2.8%	20,787,964	3.6%
West Midlands	27,087,353	7.3%	34,705,574	6.6%	6,915,790	5.7%	34,500,651	5.9%
Yorks & Humber	57,509,022	15.5%	40,534,369	7.7%	9,972,139	8.2%	40,100,502	6.9%
<b>Total</b>	<b>370,736,993</b>	<b>100.0%</b>	<b>523,820,091</b>	<b>100.0%</b>	<b>121,851,340</b>	<b>100.0%</b>	<b>580,135,944</b>	<b>100.0%</b>

Average Borrower Income	First-Time Buyer <sup>(1)</sup>		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
≤£20k	57,792,132	15.6%	37,011,550	7.1%	1,785,264	1.5%	13,611,816	2.3%
>£20k ≤£40k	294,233,784	79.4%	206,395,570	39.4%	26,921,735	22.1%	192,250,954	33.1%
>£40k ≤£60k	14,341,363	3.9%	124,361,733	23.7%	37,753,385	31.0%	187,196,109	32.3%
>£60k ≤£100k	3,997,191	1.1%	73,612,531	14.1%	28,309,603	23.2%	118,824,438	20.5%
>£100k	372,522	0.1%	82,438,707	15.7%	27,081,353	22.2%	68,252,626	11.8%
<b>Total</b>	<b>370,736,993</b>	<b>100.0%</b>	<b>523,820,091</b>	<b>100.0%</b>	<b>121,851,340</b>	<b>100.0%</b>	<b>580,135,944</b>	<b>100.0%</b>

Note: <sup>(1)</sup> As defined within the First-Time Buyer definition, all balances within this banding have an average borrower income that is classified as low or medium (below £35,561) or are on a specific Help-to-Buy product



Indexed LTV Banding	First-Time Buyer		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
≤65%	192,252,549	51.9%	336,657,776	64.3%	62,625,801	51.4%	335,502,445	57.8%
>65% ≤75%	112,318,588	30.3%	113,754,439	21.7%	34,475,360	28.3%	122,792,663	21.2%
>75% ≤85%	51,346,487	13.8%	58,866,862	11.2%	19,202,101	15.8%	84,564,174	14.6%
>85% ≤95%	14,146,340	3.8%	14,541,015	2.8%	4,951,333	4.1%	36,386,336	6.3%
>95%	673,030	0.2%	0	0.0%	596,746	0.5%	890,326	0.2%
<b>Total</b>	<b>370,736,993</b>	<b>100.0%</b>	<b>523,820,091</b>	<b>100.0%</b>	<b>121,851,340</b>	<b>100.0%</b>	<b>580,135,944</b>	<b>100.0%</b>

Average Age <sup>(1)</sup>	First-Time Buyer		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
18 - 30	102,557,121	27.7%	15,367,007	2.9%	13,875,130	11.4%	221,712	0.0%
31 - 50	245,567,340	66.2%	385,131,913	73.5%	94,001,044	77.1%	356,496,039	61.5%
51 - 70	22,612,532	6.1%	123,167,418	23.5%	13,975,167	11.5%	222,350,656	38.3%
Over 70	0	0.0%	153,753	0.0%	0	0.0%	1,067,537	0.2%
<b>Total</b>	<b>370,736,993</b>	<b>100.0%</b>	<b>523,820,091</b>	<b>100.0%</b>	<b>121,851,340</b>	<b>100.0%</b>	<b>580,135,944</b>	<b>100.0%</b>

Note: <sup>(1)</sup> Calculated based on the average borrower age per loan

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