

Social Financing Annual Report

January 2026

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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
Social RMBS (Brass 10)	XS2297660586	30/03/2021	16/04/2069	GBP	48.6	Sonia +0.33%
Social SNP	XS2385755835	15/09/2021	15/09/2029	GBP	250.0	1.500% (Fixed)
Social Covered Bond	XS2406578059	16/11/2021	16/11/2028	EUR	427.6[1]	0.010% (Fixed)
Social Covered Bond	XS2432612526	18/01/2022	18/01/2027	GBP	500.0	Sonia +0.27%
Social SNP	XS2467494774	11/04/2022	11/10/2030	GBP	300.0	3.511% (Fixed)

2025 Social Bond Issuance

No social bonds issued in 2025.

Note: [1] 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 [(1)] 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: [(1)] Calculated based on annualising the median weekly full time income of £767 from the ONS 'Employee Earnings in the UK: 2025' Oct 25 bulletin Employee earnings in the UK - Office for National Statistics

Allocation of Social Bond Proceeds

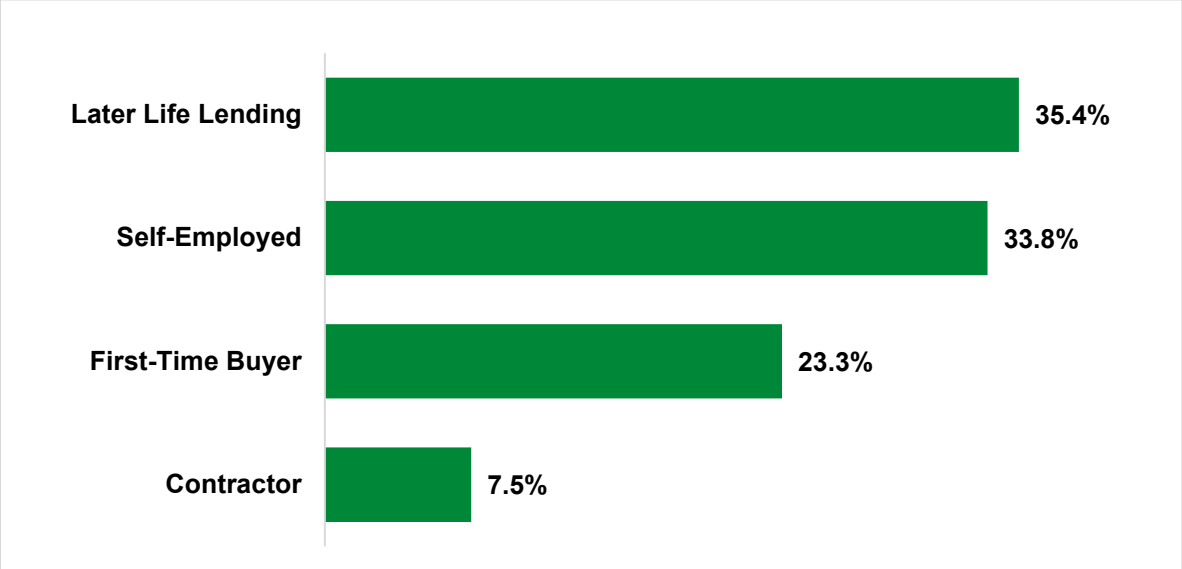
Social Bond proceeds have been fully allocated since issuance to a portfolio of ESP. Allocations to each target population have been based on the proportionate share of gross lending to each segment within the two-year look-back period [2] as outlined in the Social Financing Framework.

Sterling Equivalent Social Bond Proceeds

Social Bond	Balance	%
Social Notes [1]	£1,477,600,000	96.8%
Social RMBS	£48,607,340	3.2%
Total	**£1,526,207,340**	**100.0%**

Allocation to Target Populations

Target Population	Balance	%
First-Time Buyer	£355,905,706	23.3%
Self-Employed	£515,963,411	33.8%
Contractor	£113,943,730	7.5%
Later Life Lending	£540,394,493	35.4%
Total	**£1,526,207,340**	**100.0%**



Notes: [1] Social notes include both Social Senior Non-Preferred and Social Covered Bond proceeds; [2] 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 (£)	355,905,706	515,963,411	113,943,730	540,394,493	1,526,207,339
Number of Loans	2,759	2,371	424	2,439	7,993
Number of Beneficiaries	4,392	4,196	714	4,010	13,312
Average Loan (£)	128,998	217,614	268,735	221,564	190,943
Largest Loan (£)	442,811	5,007,785	1,656,376	2,781,861	5,007,785
Average Property Value (£)	216,806	474,885	468,274	435,305	373,374
Weighted Average LTV	63.66%	56.16%	62.85%	60.34%	59.88%
Weighted Average Interest Rate	4.00%	3.91%	3.89%	3.95%	3.94%
Average Borrower Income (£) [1]	25,461	41,510	64,493	44,739	38,420

Detailed Analysis

Principal Amount Outstanding	First-Time Buyer		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
≤£100k	78,727,307	22.1%	35,145,042	6.8%	3,046,072	2.7%	35,029,632	6.5%
>£100k ≤£250k	227,773,158	64.0%	174,257,093	33.8%	31,556,756	27.7%	181,367,953	33.6%
>£250k ≤£500k	49,405,241	13.9%	205,725,951	39.9%	53,978,663	47.4%	225,725,810	41.8%
>£500k ≤£750k	0	0.0%	45,231,980	8.8%	18,499,492	16.2%	62,892,921	11.6%
>£750k ≤£1,000k	0	0.0%	23,326,688	4.5%	2,551,828	2.2%	15,151,941	2.8%
>£1,000k	0	0.0%	32,276,657	6.3%	4,310,919	3.8%	20,226,234	3.7%
Total	**355,905,706**	**100.0%**	**515,963,411**	**100.0%**	**113,943,730**	**100.0%**	**540,394,493**	**100.0%**

Note: [1] 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	15,817,695	4.4%	23,276,873	4.5%	4,308,003	3.8%	22,282,027	4.1%
East Midlands	30,656,200	8.6%	27,698,999	5.4%	6,275,676	5.5%	32,263,265	6.0%
Greater London	16,391,730	4.6%	80,601,699	15.6%	25,961,663	22.8%	93,333,541	17.3%
North	25,167,644	7.1%	16,910,737	3.3%	4,606,193	4.0%	15,077,580	2.8%
North West	55,047,160	15.5%	50,499,187	9.8%	7,869,692	6.9%	50,425,635	9.3%
Northern Ireland	4,118,734	1.2%	6,960,160	1.3%	555,189	0.5%	4,808,806	0.9%
Scotland	29,258,604	8.2%	27,685,230	5.4%	7,868,111	6.9%	23,647,323	4.4%
South East	58,276,456	16.4%	155,648,677	30.2%	32,199,009	28.3%	166,385,947	30.8%
South West	23,873,597	6.7%	41,358,746	8.0%	8,118,440	7.1%	42,295,688	7.8%
Wales	20,864,134	5.9%	16,091,174	3.1%	3,211,689	2.8%	20,713,360	3.8%
West Midlands	24,161,300	6.8%	32,715,836	6.3%	4,887,051	4.3%	31,534,117	5.8%
Yorks & Humber	52,272,452	14.7%	36,516,093	7.1%	8,083,015	7.1%	37,627,203	7.0%
Total	**355,905,706**	**100.0%**	**515,963,411**	**100.0%**	**113,943,730**	**100.0%**	**540,394,493**	**100.0%**

Average Borrower Income	First-Time Buyer [1]		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
≤£20k	48,700,903	13.7%	31,625,831	6.1%	1,246,489	1.1%	10,627,119	2.0%
>£20k ≤£40k	290,807,453	81.7%	203,073,036	39.4%	24,631,960	21.6%	162,711,320	30.1%
>£40k ≤£60k	11,512,369	3.2%	130,621,325	25.3%	33,444,542	29.4%	182,302,389	33.7%
>£60k ≤£100k	4,577,248	1.3%	69,255,014	13.4%	29,775,071	26.1%	124,423,840	23.0%
>£100k	307,732	0.1%	81,388,206	15.8%	24,845,668	21.8%	60,329,825	11.2%
Total	**355,905,706**	**100.0%**	**515,963,411**	**100.0%**	**113,943,730**	**100.0%**	**540,394,493**	**100.0%**

Note: [1] 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%	197,807,735	55.6%	342,515,390	66.4%	62,670,008	55.0%	309,164,868	57.2%
>65% ≤75%	86,322,340	24.3%	96,267,855	18.7%	29,250,888	25.7%	109,479,198	20.3%
>75% ≤85%	45,033,445	12.7%	60,127,784	11.7%	15,358,674	13.5%	87,889,577	16.3%
>85% ≤95%	24,056,324	6.8%	16,359,431	3.2%	5,900,027	5.2%	32,916,016	6.1%
>95%	2,685,861	0.8%	692,952	0.1%	764,133	0.7%	944,834	0.2%
Total	**355,905,706**	**100.0%**	**515,963,411**	**100.0%**	**113,943,730**	**100.0%**	**540,394,493**	**100.0%**

Average Age [1]	First-Time Buyer		Self Employed		Contractors		Later Life Lending	
	Balance	%	Balance	%	Balance	%	Balance	%
18 - 30	80,503,612	22.6%	16,073,890	3.1%	10,254,729	9.0%	625,368	0.1%
31 - 50	250,535,799	70.4%	374,234,281	72.5%	89,919,918	78.9%	334,126,929	61.8%
51 - 70	24,819,281	7.0%	125,591,263	24.3%	13,769,084	12.1%	204,568,994	37.9%
Over 70	47,014	0.0%	63,978	0.0%	0	0.0%	1,073,202	0.2%
Total	**355,905,706**	**100.0%**	**515,963,411**	**100.0%**	**113,943,730**	**100.0%**	**540,394,493**	**100.0%**

Note: [1] Calculated based on the average borrower age per loan

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