Yorkshire BUILDING SOCIETY Covered Bond Programme

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: September 2014

Administration

Name of issuer	Yorkshire Building Society
Name of RCB programme	Yorkshire Building Society €7.5 billion Global Covered Bond Programme
Name, job title and contact details of person validating this form	Richard Driver, Head of Financial Structuring, rjdriver@ybs.co.uk
Date of form submission	21/10/2014
Start Date of reporting period	01/09/2014
End Date of reporting period	30/09/2014
Web links - prospectus, transaction documents, loan-level data	http://www.ybs.co.uk/your-society/treasury/wholesale_funding/covered-bonds/reports.html

Counterparties, Ratings

	Counterparty/ies	Fitch		Moody's		S&P		DBRS	
		Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds		-	AAA	-	Aa1	na	na	na	na
Issuer	Yorkshire Building Society	-	A-/F1	-	Baa1/P2	na	na	na	na
Seller(s)	Yorkshire Building Society	-	A-/F1	-	Baa1/P2	na	na	na	na
Cash manager	Yorkshire Building Society	BBB-	A-/F1	Baa3	Baa1/P2	na	na	na	na
Stand-by cash manager	n/a	-	-	-	-	na	na	na	na
Account bank	Yorkshire Building Society	F2	F1	P2	P2	na	na	na	na
Stand-by account bank	HSBC Bank Plc	F2	F1+	P2	P1	na	na	na	na
Servicer(s)	Yorkshire Building Society	BBB-	A-	Baa3	Baa1/P2	na	na	na	na
Stand-by servicer(s)	n/a	-	-	-	-	na	na	na	na
Swap provider(s) on cover pool	Yorkshire Building Society	-	A-	-	Baa1/P2	na	na	na	na
Stand-by swap provider(s) on cover pool	n/a	n/a	n/a	n/a	n/a	na	na	na	na
Swap notional amount(s) (GBP)	3,188,419,775								
Swap notional maturity/ies	Loan balance zero								
LLP receive rate/margin	1.73%								
LLP pay rate/margin	3.48%								
Collateral posting amount(s) (GBP)	0								

Accounts, Ledgers

	Value as of End Date of reporting period	Value as of Start Date of reporting period	TARGETED VALUE
Revenue receipts / ledger			
Beg Balance	0	n/a	n/a
Third party payments	(100)	n/a	n/a
Interest on Mortgages	8,929,990	n/a	n/a
Interest on GIC	15,926	n/a	n/a
Interest on Sub Assets	0	n/a	n/a
Interest on Authorised Investments	0	n/a	n/a
Transfer from Coupon payment ledger	0	n/a	n/a
Other Revenue	0	n/a	n/a
Amounts transferred from / (to) Reserve Fund	0	n/a	n/a
Cash Capital Contribution deemed to be revenue	0	n/a	n/a
Net interest from / (to) Interest Rate Swap Provider	(4,729,896)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,659,692)	n/a	n/a
Pre-funding of monthly swap payments / other payments	(951,218)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Deferred Consideration	(605,011)	n/a	n/a
Closing Balance	0	n/a	n/a
Principal receipts / ledger			
Beg Balance	0	n/a	n/a
Principal repayments under mortgages	41,573,687	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(50,204,985)	n/a	n/a
Cash Captial Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	2,974,160	n/a	n/a
Principal payments to Covered Bonds Swap Providers	0	n/a	n/a
Principal paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Capital Distribution	5,657,138	n/a	n/a
Closing Balance	0	n/a	n/a
Reserve receipts / ledger			
Beg Balance	8,487,106	n/a	n/a
Transfers to GIC	0	n/a	n/a
Interest on GIC	0	n/a	n/a
Reserve Required Amount	0	n/a	n/a
Transfers from GIC	0	n/a	n/a
Closing Balance	8,487,106	n/a	8,424,870
Capital Account receipts / ledger			
Beg Balance	1,115,564,826	n/a	n/a
Increase in loan balance due to Capitalised interest	0	n/a	n/a
Increase in loan balance due to Further Advances	2,215,629	n/a	n/a
Increase in loan balance due to insurance & fees	260,569	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	5,657,138	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,123,698,162	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,741,080,059	Adjusted current balance
B	41,573,687	Principal collections not yet applied
C	0	Qualifying additional collateral
D	0	Substitute assets
E	n/a	Proceeds of sold mortgage loans
V	n/a	Set-off offset loans
W	n/a	Personal secured loans
X	n/a	Flexible draw capacity
Y	122,667,199	Set-off
Z	120,785,193	Negative carry
Total: A + B + C + D - (Y + Z)	2,539,201,353	
Method Used for Calculating "A" (note 1)	A (ii)	
Asset Percentage (%)	83.70%	
Maximum asset percentage from Fitch (%)	86.00%	
Maximum asset percentage from Moody's (%)	83.70%	
Maximum asset percentage from S&P (%)	n/a	
Credit support as derived from ACT (GBP) (see note 2)	380,681,353	
Credit support as derived from ACT (%)	17.6%	

Note 1

(I) Adjusted True Balance less deemed reductions. (ii) Arrears Adjusted True Balance less deemed Reductions multiplied by the Asset Percentage

Programme-Level Characteristics

Programme Currency	EUR
Programme size	7,500,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	2,158,520,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	2,106,119,000
Cover pool balance (GBP)	3,280,051,610
GIC account balance (GBP)	59,006,709
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,170,969,805
Aggregate deposits attaching to the cover pool (GBP)	122,667,199
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	120,846,772
Nominal level of overcollateralisation (GBP)	380,681,353
Nominal level of overcollateralisation (%)	117.64%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,280,051,610
Number of Mortgages in Pool	32,485
Average loan balance (GBP)	100,971
Weighted average indexed LTV (%)	53.61
Weighted average non-indexed LTV (%)	58.04
Weighted average seasoning (months)	72.53
Weighted average remaining term (months)	211.18
Weighted average interest rate (%)	3.62
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (%, current month)	10.98
Constant Pre-Payment Rate (%, quarterly average)	12.84
Principal Payment Rate (%, current month)	15.24
Principal Payment Rate (%, quarterly average)	17.01
Constant Default Rate (%, current month)	0
Constant Default Rate (%, quarterly average)	0
Fitch Discontinuity Factor (%)	4 (moderate risk)
Moody's Timely Payment Indicator	Probable
Moody's Collateral Score (%)	5.0 / 3.8

Mortgage Collections

Mortgage collections (scheduled - interest)	8,929,990
Mortgage collections (scheduled - principal)	11,644,821
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	29,928,866

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	286	85.37%	24,053,371	89.01%
Loans bought back by seller(s)	49	14.63%	2,971,343	10.99%
of which are non-performing loans	1	2.04%	34,796	1.17%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	245	n/a	50,201,579	n/a

Product Rate Type and Reversionary Profiles

					Weighted average				
	Number	% of total number	Amount (GBP)	% of total amount	Current rate	Remaining teaser period (month)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR	23,950	73.73%	2,559,885,110	78.04%	3.80%	23.8	0	4.42	3.80%
Fixed at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Fixed at origination, reverting to tracker	3,425	10.54%	332,394,480	10.13%	2.87%	0	2.37	2.37	5.46%
Fixed for life	3	0.01%	21,493	0.00%	0.00%	180.48	0	0	0.00%
Tracker at origination, reverting to SVR	1,592	4.90%	127,398,557	3.88%	4.22%	2.68	0	4.42	3.64%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	3,198	9.84%	244,901,966	7.47%	2.29%	152.19	1.79	0	4.79%
SVR, including discount to SVR	317	0.98%	15,450,004	0.47%	4.98%	160.4	0.05	4.42	5.11%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	32,064	98.70%	3,238,305,673	98.73%
0-1 month in arrears	242	0.74%	24,158,167	0.74%
1-2 months in arrears (greater than 1 month, includes 2 months)	96	0.30%	9,536,316	0.29%
2-3 months in arrears (greater than 2 months, includes 3 months)	43	0.13%	4,433,649	0.14%
3-6 months in arrears (greater than 3 month, includes 6 months)	39	0.12%	3,583,010	0.11%
6-12 months in arrears (greater than 6 months, includes 12 months)	1	0.00%	34,796	0.00%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,767	51.61%	1,046,413,226	31.90%
50-55%	2,023	6.23%	243,001,599	7.41%
55-60%	2,163	6.66%	283,066,176	8.63%
60-65%	2,458	7.57%	350,973,682	10.70%
65-70%	2,403	7.40%	350,791,547	10.69%
70-75%	2,485	7.65%	405,574,534	12.36%
75-80%	1,500	4.62%	207,609,913	6.33%
80-85%	1,351	4.16%	197,621,042	6.02%
85-90%	872	2.68%	127,189,553	3.88%
90-95%	304	0.94%	43,232,679	1.32%
95-100%	116	0.36%	18,464,615	0.56%
100-105%	30	0.09%	4,072,841	0.12%
105-110%	8	0.02%	1,352,118	0.04%
110-125%	3	0.01%	375,311	0.01%
125%+	2	0.01%	312,776	0.01%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	19,048	58.64%	1,302,074,945	39.70%
50-55%	1,931	5.94%	280,478,720	8.55%
55-60%	2,209	6.80%	343,954,160	10.49%
60-65%	2,276	7.01%	346,938,913	10.58%
65-70%	2,063	6.35%	322,120,434	9.82%
70-75%	1,630	5.02%	231,731,361	7.06%
75-80%	1,173	3.61%	164,069,805	5.00%
80-85%	873	2.69%	120,412,653	3.67%
85-90%	507	1.56%	66,897,099	2.04%
90-95%	406	1.25%	52,424,864	1.60%
95-100%	205	0.63%	26,207,878	0.80%
100-105%	97	0.30%	12,465,473	0.38%
105-110%	37	0.11%	5,639,422	0.17%
110-125%	26	0.08%	3,886,066	0.12%
125%+	4	0.01%	749,818	0.02%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	909	2.80%	1,628,664	0.05%
5,000-10,000	712	2.19%	5,387,361	0.16%
10,000-25,000	2,891	8.90%	52,262,742	1.59%
25,000-50,000	5,616	17.29%	210,461,916	6.42%
50,000-75,000	5,185	15.96%	323,593,968	9.87%
75,000-100,000	4,595	14.14%	400,606,443	12.21%
100,000-150,000	6,375	19.62%	780,916,373	23.81%
150,000-200,000	3,010	9.27%	518,251,532	15.80%
200,000-250,000	1,315	4.05%	293,014,413	8.93%
250,000-300,000	721	2.22%	197,496,967	6.02%
300,000-350,000	389	1.20%	125,981,549	3.84%
350,000-400,000	264	0.81%	98,582,057	3.01%
400,000-450,000	136	0.42%	57,676,321	1.76%
450,000-500,000	111	0.34%	52,609,281	1.60%
500,000-600,000	124	0.38%	67,856,273	2.07%
600,000-700,000	79	0.24%	51,075,098	1.56%
700,000-800,000	28	0.09%	20,875,806	0.64%
800,000-900,000	17	0.05%	14,159,754	0.43%
900,000-1,000,000	8	0.02%	7,615,091	0.23%
1,000,000 +	0	0.00%	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	908	2.80%	96,718,030	2.95%
East Midlands	1,508	4.64%	153,773,036	4.69%
Greater London	2,405	7.40%	477,082,581	14.54%
Northern Ireland	186	0.57%	19,037,547	0.58%
North	1,958	6.03%	149,482,301	4.56%
North West	5,285	16.27%	439,654,039	13.40%
Scotland	4,254	13.10%	376,640,627	11.48%
South East	3,553	10.94%	516,972,619	15.76%
South West	1,458	4.49%	158,127,378	4.82%
Wales	1,437	4.42%	118,606,997	3.62%
West Midlands	1,658	5.10%	173,623,025	5.29%
Yorkshire and Humberside	7,875	24.24%	600,333,430	18.30%
Other	0	0.00%	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,156	55.89%	1,790,884,780	54.60%
Part-and-part	0	0.00%	0	0.00%
Interest-only	2,742	8.44%	318,197,025	9.70%
Offset	11,587	35.67%	1,170,969,805	35.70%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	3,273	10.08%	648,193,973	19.76%
12-24 months	479	1.47%	67,213,359	2.05%
24-36 months	1,434	4.41%	227,703,969	6.94%
36-48 months	1,764	5.43%	266,348,579	8.12%
48-60 months	1,412	4.35%	181,852,724	5.54%
60-72 months	1,184	3.64%	132,999,712	4.05%
72-84 months	2,256	6.94%	258,241,199	7.87%
84-96 months	3,901	12.01%	389,111,115	11.86%
96-108 months	3,888	11.97%	335,856,061	10.24%
108-120 months	2,474	7.62%	181,290,250	5.53%
120-150 months	7,625	23.47%	446,804,173	13.62%
150-180 months	2,795	8.60%	144,436,496	4.40%
180+ months	0	0.00%	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	19,577	60.26%	2,251,681,630	68.65%
SVR	5,965	18.36%	409,080,820	12.47%
Tracker	6,938	21.36%	618,884,828	18.87%
Other (please specify)	5	0.02%	404,331.89	0.01%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	32,485	100.00%	3,280,051,610	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	32,485	100.00%	3,280,051,610	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,256	3.87%	38,121,671	1.16%
30-60 months	1,909	5.88%	74,429,012	2.27%
60-120 months	5,430	16.72%	323,056,681	9.85%
120-180 months	9,026	27.79%	731,639,125	22.31%
180-240 months	7,648	23.54%	931,119,007	28.39%
240-300 months	4,916	15.13%	794,108,912	24.21%
300-360 months	1,617	4.98%	267,000,601	8.14%
360+ months	683	2.10%	120,576,601	3.68%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	20,428	62.88%	2,495,026,860	76.07%
Self-employed	973	3.00%	138,042,999	4.21%
Unemployed	85	0.26%	6,977,326	0.21%
Retired	438	1.35%	23,341,561	0.71%
Guarantor	0	0.00%	0	0.00%
Other	10,561	32.51%	616,662,864	18.80%
Total	**32,485**	**100.00%**	**£ 3,280,051,610**	**100.00%**

Covered Bonds Outstanding, Associated Derivatives (please disclose for all bonds outstanding)

Series	5	7	8	9
Issue date	22/09/10	12/04/11	23/03/12	11/06/14
Original rating (Moody's/S&P/Fitch/DBRS)	Aa1/AAA	Aa1/AAA	Aa2/AAA	Aa1/AA+
Current rating (Moody's/S&P/Fitch/DBRS)	Aa1/AAA	Aa1/AAA	Aa1/AAA	Aa1/AAA
Denomination	EUR	GBP	GBP	EUR
Amount at issuance	600,000,000	750,000,000	500,000,000	500,000,000
Amount outstanding	600,000,000	750,000,000	500,000,000	500,000,000
FX swap rate (rate:£1)	1.195	n/a	n/a	1.230
Maturity type (hard/soft-bullet/pass-through)	soft-bullet	soft-bullet	soft-bullet	soft-bullet
Scheduled final maturity date	22/09/15	12/04/18	23/03/16	11/06/21
Legal final maturity date	22/09/16	12/04/19	23/03/17	11/06/22
ISIN	XS0543208689	XS0616210752	XS0762446853	XS1076256400
Stock exchange listing	London	London	London	London
Coupon payment frequency	Annual	Annual	Quarterly	Annual
Coupon payment date	22nd	12th	23rd	11th
Coupon (rate if fixed, margin and reference rate if floating)	3.250%	4.750%	1.75% / 3m Libor	1.250%
Margin payable under extended maturity period (%)	1.350%	1.275%	1.750%	0.220%
Swap counterparty/ies	HSBC Bank Plc	HSBC Bank Plc	n/a	Natixis
Swap notional denomination	EUR	GBP	n/a	EUR
Swap notional amount	600,000,000	750,000,000	n/a	500,000,000
Swap notional maturity	22/09/15	12/04/18	n/a	11/06/21
LLP receive rate/margin	3.250%	4.750%	n/a	1.250%
LLP pay rate/margin	1.683% / 3m Libor	1.495% / 3m Libor	n/a	0.6% / 3m Libor
Collateral posting amount	0	0	n/a	0

Programme triggers

Event (please list all triggers)	Summary of Event	Trigger (S&P, Moody's, Fitch, DBRS; short-term, long-term)	Trigger breached (yes/no)	Consequence of a trigger breach
YBS / Issuer	YBS failure to pay on Covered Bonds	YBS failure to pay on Covered Bonds or YBS insolvency	No	Triggers a Notice to Pay on the LLP
YBS / Seller	Details of the Borrowers with Loans to be delivered to the LLP, the Security Trustee (upon request) and the Rating Agencies.	Long term Baa3 (moody's), Fitch BBB-	No	Details of the Borrowers with Loans to be delivered to the LLP, the Security Trustee (upon request) and the Rating Agencies
Account Bank	Account Bank short ratings fall below trigger	P1 (Moody's), A1 (Fitch)	Yes	Standby Account bank invoked
Stand-by Account Bank	Standby Account Bank short ratings fall below trigger	P1 (Moody's), A1 (Fitch)	No	Move to higher rated bank/guarantee required
Servicer	Servicer rating fall below trigger	Initial below Baa1 (Moody's), BBB+ (Fitch)	No	Back up Servicer required
Servicer	Servicer rating fall below trigger	Subsequent below Baa3 (Moody's), BBB- (Fitch)	No	Transfer servicing to Back up Servicer
Cash Manager	Cash Manager ratings fall below trigger	Initial below Baa1 (Moody's), BBB+ (Fitch)	No	Back up Cash Manager required
Cash Manager	Cash Manager ratings fall below trigger	Subsequent below Baa3 (Moody's), BBB- (Fitch)	No	Transfer cash management to Back up Cash manager
Cash Manager	Cash Manager ratings fall below trigger	Initial below Baa1 (Moody's)	No	Pre-funding of amount due in respect of the bonds/to the relevant covered bond swap provider
Interest Rate Swap Provider	Interest Rate Swap provider ratings fall below Trigger	Short term below P2 (Moody's), A2 (Fitch)	No	Within 30 Business Days, i) transfer all rights under the Agreement to a third party, ii) procure a co-obligor and either take such action as agreed with Moody's or post collateral
LLP Event of Default (post YBS Event of Default)	LLP failure to pay on Covered Bonds Amortisation Test failure Interest Coverage Test failure	LLP failure to pay on Covered Bonds, breach of Amortisation or Interest Coverage Test.	No	Bonds becoming immediately due and payable