

## Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: June 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	Daren Murray, Head of Wholesale Funding, djmurray@ybs.co.uk
Date of form submission	21/07/2014
Start Date of reporting period	01/06/2014
End Date of reporting period	30/06/2014
Web links - prospectus, transaction documents, loan-level data	<a href="http://www.ybs.co.uk/your-society/treasury/wholesale_funding/covered-bonds/reports.html">http://www.ybs.co.uk/your-society/treasury/wholesale_funding/covered-bonds/reports.html</a>

### 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		-	AA+	-	Aa1	na	na	na	na
Issuer	Yorkshire Building Society	-	BBB+/F2	-	Baa1/P2	na	na	na	na
Seller(s)	Yorkshire Building Society	-	BBB+/F2	-	Baa1/P2	na	na	na	na
Cash manager	Yorkshire Building Society	BBB-	BBB+/F2	Baa3	Baa1/P2	na	na	na	na
Stand-by cash manager	n/a	-	-	-	-	na	na	na	na
Account bank	Yorkshire Building Society	F2	F2	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-	BBB+	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	-	BBB+	-	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)	3,162,882,484								
Swap notional maturity/ies	Loan balance zero								
LLP receive rate/margin	1.70%								
LLP pay rate/margin	3.56%								
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
<b>Revenue receipts / ledger</b>			
Beg Balance	0	n/a	n/a
Third party payments	(100)	n/a	n/a
Interest on Mortgages	8,996,994	n/a	n/a
Interest on GIC	13,580	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	(5,162,902)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,692,674)	n/a	n/a
Pre-funding of monthly swap payments / other payments	(946,233)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Deferred Consideration	(208,665)	n/a	n/a
Closing Balance	0	n/a	n/a
<b>Principal receipts / ledger</b>			
Beg Balance	0	n/a	n/a
Principal repayments under mortgages	44,448,601	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(50,305,488)	n/a	n/a
Cash Capital Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	4,587,776	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	1,269,111	n/a	n/a
Closing Balance	0	n/a	n/a
<b>Reserve receipts / ledger</b>			
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	8,274,267
<b>Capital Account receipts / ledger</b>			
Beg Balance	1,469,772,106.83	n/a	n/a
Increase in loan balance due to Capitalised interest	-	n/a	n/a
Increase in loan balance due to Further Advances	2,251,942.00	n/a	n/a
Increase in loan balance due to insurance & fees	228,234.01	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	1,269,111	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,473,521,394	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,693,894,328	Adjusted current balance
B	44,448,601	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	121,855,502	Set-off
Z	130,733,674	Negative carry
Total: A + B + C + D - (Y + Z)	2,485,753,753	
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)		327,233,753
Credit support as derived from ACT (%)		15.2%

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)	2,130,594,000
Cover pool balance (GBP)	3,224,653,429
GIC account balance (GBP)	61,946,281
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,172,170,344
Aggregate deposits attaching to the cover pool (GBP)	121,855,502
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	119,568,585
Nominal level of overcollateralisation (GBP)	327,233,753
Nominal level of overcollateralisation (%)	115.16%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,224,653,429
Number of Mortgages in Pool	32,605
Average loan balance (GBP)	98,901
Weighted average indexed LTV (%)	55.08
Weighted average non-indexed LTV (%)	58.02
Weighted average seasoning (months)	74.01
Weighted average remaining term (months)	208.44
Weighted average interest rate (%)	3.70
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% , current month)	12.35
Constant Pre-Payment Rate (% , quarterly average)	12.25
Principal Payment Rate (% , current month)	16.55
Principal Payment Rate (% , quarterly average)	16.49
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)	8,996,994
Mortgage collections (scheduled - principal)	11,333,075
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	33,115,526

**Loan Redemptions & Replenishments Since Previous Reporting Date**

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	363	52.38%	25,841,971	30.86%
Loans bought back by seller(s)	59	8.51%	6,807,944	8.13%
of which are non-performing loans	6	0.87%	756,176	0.90%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	265	38.24%	50,325,844	60.10%

**Product Rate Type and Reversionary Profiles**

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (month)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR	23,526	72.15%	2,446,481,605	75.87%	3.92%	22.45	0	4.44	3.92%
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	3,549	10.88%	347,001,593	10.76%	2.88%	0	2.38	2.38	5.46%
Fixed for life	3	0.01%	22,231	0.00%	0.00%	183.78	0	0	0.00%
Tracker at origination, reverting to SVR	1,862	5.71%	158,165,418	4.90%	4.07%	2.75	0	4.44	3.65%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	3,326	10.20%	256,462,725	7.95%	2.31%	154.14	1.81	0	4.80%
SVR, including discount to SVR	339	1.04%	16,519,856	0.51%	4.99%	165.97	0.04	4.44	5.08%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>					

**Stratifications**

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	32,165	98.65%	3,182,051,902	98.68%
0-1 month in arrears	253	0.78%	24,378,759	0.76%
1-2 months in arrears (greater than 1 month, includes 2 months)	100	0.31%	9,651,579	0.30%
2-3 months in arrears (greater than 2 months, includes 3 months)	40	0.12%	3,674,212	0.11%
3-6 months in arrears (greater than 3 month, includes 6 months)	41	0.13%	4,140,801	0.13%
6-12 months in arrears (greater than 6 months, includes 12 months)	6	0.02%	756,176	0.02%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,876	51.76%	1,038,166,561	32.19%
50-55%	2,012	6.17%	233,159,094	7.23%
55-60%	2,192	6.72%	279,500,647	8.67%
60-65%	2,419	7.42%	338,187,049	10.49%
65-70%	2,414	7.40%	346,653,001	10.75%
70-75%	2,411	7.39%	382,380,742	11.86%
75-80%	1,553	4.76%	216,183,337	6.70%
80-85%	1,409	4.32%	201,299,353	6.24%
85-90%	876	2.69%	125,524,951	3.89%
90-95%	274	0.84%	37,500,901	1.16%
95-100%	119	0.36%	18,716,372	0.58%
100-105%	34	0.10%	4,918,023	0.15%
105-110%	8	0.02%	1,220,721	0.04%
110-125%	5	0.02%	815,329	0.03%
125%+	3	0.01%	427,347	0.01%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	18,743	57.49%	1,218,202,565	37.78%
50-55%	1,810	5.55%	243,573,056	7.55%
55-60%	1,980	6.07%	298,946,718	9.27%
60-65%	2,334	7.16%	360,232,256	11.17%
65-70%	2,029	6.22%	307,110,481	9.52%
70-75%	1,881	5.77%	280,345,941	8.69%
75-80%	1,193	3.66%	161,205,604	5.00%
80-85%	1,024	3.14%	142,675,905	4.42%
85-90%	659	2.02%	89,080,811	2.76%
90-95%	413	1.27%	53,004,387	1.64%
95-100%	269	0.83%	34,129,238	1.06%
100-105%	161	0.49%	19,949,134	0.62%
105-110%	60	0.18%	8,585,318	0.27%
110-125%	39	0.12%	6,109,592	0.19%
125%+	10	0.03%	1,502,421	0.05%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	895	2.74%	1,547,471	0.05%
5,000-10,000	728	2.23%	5,505,421	0.17%
10,000-25,000	2,906	8.91%	52,569,177	1.63%
25,000-50,000	5,742	17.61%	215,006,116	6.67%
50,000-75,000	5,259	16.13%	328,203,406	10.18%
75,000-100,000	4,708	14.44%	410,326,159	12.72%
100,000-150,000	6,385	19.58%	781,200,663	24.23%
150,000-200,000	2,969	9.11%	510,588,446	15.83%
200,000-250,000	1,278	3.92%	284,514,829	8.82%
250,000-300,000	675	2.07%	184,386,895	5.72%
300,000-350,000	373	1.14%	120,844,360	3.75%
350,000-400,000	243	0.75%	90,820,826	2.82%
400,000-450,000	131	0.40%	55,579,450	1.72%
450,000-500,000	83	0.25%	39,464,254	1.22%
500,000-600,000	116	0.36%	63,310,599	1.96%
600,000-700,000	69	0.21%	44,364,815	1.38%
700,000-800,000	22	0.07%	16,284,175	0.50%
800,000-900,000	16	0.05%	13,410,257	0.42%
900,000-1,000,000	7	0.02%	6,726,109	0.21%
1,000,000 +	0	0.00%	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	905	2.78%	95,337,551	2.96%
East Midlands	1,505	4.62%	152,736,697	4.74%
Greater London	2,339	7.17%	446,947,587	13.86%
Northern Ireland	186	0.57%	18,991,891	0.59%
North	1,995	6.12%	152,319,006	4.72%
North West	5,327	16.34%	436,733,453	13.54%
Scotland	4,296	13.18%	378,127,444	11.73%
South East	3,547	10.88%	498,239,052	15.45%
South West	1,444	4.43%	153,311,700	4.75%
Wales	1,444	4.43%	118,382,655	3.67%
West Midlands	1,644	5.04%	168,084,559	5.21%
Yorkshire and Humberside	7,973	24.45%	605,441,834	18.78%
Other	0	0.00%	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,003	55.22%	1,715,498,393	53.20%
Part-and-part	0	0.00%	0	0.00%
Interest-only	2,879	8.83%	336,984,692	10.45%
Offset	11,723	35.95%	1,172,170,344	36.35%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	2,579	7.91%	494,884,791	15.35%
12-24 months	423	1.30%	65,951,148	2.05%
24-36 months	1,629	5.00%	259,496,701	8.05%
36-48 months	2,146	6.58%	320,177,479	9.93%
48-60 months	1,251	3.84%	152,987,554	4.74%
60-72 months	1,166	3.58%	132,831,730	4.12%
72-84 months	2,997	9.19%	335,515,968	10.40%
84-96 months	4,182	12.83%	404,396,647	12.54%
96-108 months	3,691	11.32%	314,834,889	9.76%
108-120 months	2,468	7.57%	174,287,449	5.40%
120-150 months	7,707	23.64%	447,022,228	13.86%
150-180 months	2,366	7.26%	122,266,846	3.79%
180+ months	0	0.00%	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	18,909	57.99%	2,107,597,772	65.36%
SVR	6,204	19.03%	434,164,290	13.46%
Tracker	7,483	22.95%	681,507,533	21.13%
Other (please specify)	9	0.03%	1,383,832.78	0.04%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	32,605	100.00%	3,224,653,429	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	32,605	100.00%	3,224,653,429	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,264	3.88%	40,079,244	1.24%
30-60 months	1,972	6.05%	77,127,449	2.39%
60-120 months	5,413	16.60%	318,282,717	9.87%
120-180 months	9,019	27.66%	728,131,223	22.58%
180-240 months	8,007	24.56%	960,823,993	29.80%
240-300 months	4,826	14.80%	759,081,893	23.54%
300-360 months	1,508	4.63%	239,385,110	7.42%
360+ months	596	1.83%	101,741,800	3.16%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	20,149	61.80%	2,408,549,149	74.69%
Self-employed	989	3.03%	140,004,794	4.34%
Unemployed	88	0.27%	7,358,604	0.23%
Retired	444	1.36%	23,289,380	0.72%
Guarantor	0	0.00%	0	0.00%
Other	10,935	33.54%	645,451,502	20.02%
<b>Total</b>	<b>32,605</b>	<b>100.00%</b>	<b>£ 3,224,653,429</b>	<b>100.00%</b>

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/AA+	Aa1/AA+	Aa1/AA+	Aa1/AA+
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

Currency of assets

	Number	% of total number	Amount (GBP)	% of total amount
GBP	32,605	100.00%	£ 3,224,653,429	100.00%

Note

Non GBP bond issuance - all non GBP covered bonds are swapped back into GBP in line with rating agency criteria