

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: January 2013

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	21/02/2013
Start Date of reporting period	01/01/2013
End Date of reporting period	31/01/2013
Web links - prospectus, transaction documents, loan-level data	http://www.ybs.co.uk/your_society/treasury/wholesale_funding/covered-bonds/reports_12.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		-	AA+	-	Aa2	na	na	na	na
Issuer	Yorkshire Building Society	-	BBB+/F2	-	Baa2/P2	na	na	na	na
Seller(s)	Yorkshire Building Society	-	BBB+/F2	-	Baa2/P2	na	na	na	na
Cash manager	Yorkshire Building Society	BBB-	BBB+/F2	Baa3	Baa2/P2	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
Service(s)	Yorkshire Building Society	BBB-	BBB+	Baa3	Baa2	na	na	na	na
Stand-by service(s)	Target Group	-	-	-	-	na	na	na	na
Swap provider(s) on cover pool	Yorkshire Building Society	-	BBB+	-	Baa2	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)	3,303,813,089								
Swap notional maturity/ies	Loan balance zero								
LLP receive rate/margin	1.69%								
LLP pay rate/margin	4.12%								
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	10,838,267	n/a	n/a
Interest on GIC	17,564	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	2,070,715	n/a	n/a
Other Revenue	0	n/a	n/a
Amounts transferred from / (to) Reserve Fund	1,290,000	n/a	n/a
Cash Capital Contribution deemed to be revenue	0	n/a	n/a
Net interest from / (to) Interest Rate Swap Provider	(6,532,027)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,070,715)	n/a	n/a
Pre-funding of monthly swap payments	(1,999,311)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	(869,195)	n/a	n/a
Deferred Consideration	(2,745,198)	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	42,959,095	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	0	n/a	n/a
Cash Capital Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	5,019,834	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	(47,978,929)	n/a	n/a
Closing Balance	0	n/a	n/a
Reserve receipts / ledger			
Beg Balance	10,500,000	n/a	n/a
Transfers to GIC	0	n/a	n/a
Interest on GIC	0	n/a	n/a
Reserve Required Amount	(1,290,000)	n/a	n/a
Transfers from GIC	0	n/a	n/a
Closing Balance	9,210,000	9,210,000	9,210,000
Capital Account receipts / ledger			
Beg Balance	1,665,825,042	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	1,381,963	n/a	n/a
Increase in loan balance due to insurance & fees	346,580	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	(47,978,929)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,619,574,656	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,738,065,916	Adjusted current balance
B	42,959,095	Principal collections not yet applied
C	0	Qualifying additional collatera
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	99,503,358	Set-off
Z	137,119,640	Negative carry
Total: A + B + C + D - (Y + Z)	2,544,402,013	
Method Used for Calculating "A" (note 1)	A (ii)	
Asset Percentage (%)	81.60%	
Maximum asset percentage from Fitch (%)	86.00%	
Maximum asset percentage from Moody's (%)	81.60%	
Maximum asset percentage from S&P (%)	n/a	
Credit support as derived from ACT (GBP) (see note 2)	792,382,013	
Credit support as derived from ACT (%)	45.2%	

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)	1,752,020,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	1,763,750,000
Cover pool balance (GBP)	3,370,167,071
GIC account balance (GBP)	68,341,446
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,199,789,828
Aggregate deposits attaching to the cover pool (GBP)	99,503,358
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	97,668,453
Nominal level of overcollateralisation (GBP)	792,382,013
Nominal level of overcollateralisation (%)	145.23%
Number of Mortgages in Poo	34,199
Average loan balance (GBP)	98,546
Weighted average indexed LTV (%)	61.59
Weighted average non-indexed LTV (%)	59.99
Weighted average seasoning (months)	67.84
Weighted average remaining term (months)	211.84
Weighted average interest rate (%)	4.08
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% current month)	11.68
Constant Pre-Payment Rate (% quarterly average)	12.54
Principal Payment Rate (% current month)	15.10
Principal Payment Rate (% quarterly average)	16.14
Constant Default Rate (% current month)	0
Constant Default Rate (% quarterly average)	0
Fitch Discontinuity Factor (%)	4 (moderate risk)
Moody's Timely Payment Indicato	Probable
Moody's Collateral Score (%)	5.0 / 4.6

Mortgage Collections

Mortgage collections (scheduled - interest)	10,838,267
Mortgage collections (scheduled - principal)	10,409,624
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	32,549,471

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	232	72.96%	22,994,180	81.34%
Loans bought back by seller(s)	84	26.42%	5,030,508	17.80%
of which are non-performing loans	2	0.63%	243,751	0.86%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	0	0.00%	0	0.00%

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	22,952	67.11%	2,319,443,732	68.82%	4.52%	20.75	0	4.46	4.52%
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	4,179	12.22%	431,344,706	12.80%	3.12%	0.07	2.21	2.62	5.47%
Fixed for life	0	0.00%	0	0.00%	0.00%	360	0	0	0.00%
Tracker at origination, reverting to SVR	2,860	8.36%	289,516,407	8.59%	3.69%	9.11	0	4.46	3.52%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	3,786	11.07%	305,337,592	9.06%	2.34%	166.63	1.84	0	4.91%
SVR, including discount to SVR	422	1.23%	24,524,634	0.73%	4.98%	180.74	0.05	4.46	5.15%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	33,718	98.59%	3,320,238,281	98.52%
0-1 month in arrears	320	0.94%	32,416,758	0.96%
1-2 months in arrears (greater than 1 month, includes 2 months)	77	0.23%	8,075,816	0.24%
2-3 months in arrears (greater than 2 months, includes 3 months)	40	0.12%	4,294,573	0.13%
3-6 months in arrears (greater than 3 months, includes 6 months)	42	0.12%	4,897,892	0.15%
6-12 months in arrears (greater than 6 months, includes 12 months)	2	0.01%	243,751	0.01%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,762	49.01%	1,014,717,479	30.11%
50-55%	2,012	5.88%	211,023,269	6.26%
55-60%	2,118	6.19%	247,732,429	7.35%
60-65%	2,279	6.66%	283,793,802	8.42%
65-70%	2,601	7.61%	363,428,756	10.78%
70-75%	2,712	7.93%	415,248,133	12.32%
75-80%	1,875	5.48%	274,843,666	8.16%
80-85%	1,933	5.65%	288,744,675	8.57%
85-90%	1,189	3.48%	169,981,632	5.04%
90-95%	481	1.41%	63,426,636	1.88%
95-100%	187	0.55%	29,017,144	0.86%
100-105%	33	0.10%	5,120,027	0.15%
105-110%	9	0.03%	1,480,844	0.04%
110-125%	8	0.02%	1,203,746	0.04%
125%+	0	0.00%	404,833	0.01%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	17,723	51.82%	1,058,783,800	31.42%
50-55%	1,669	4.88%	188,582,882	5.60%
55-60%	1,572	4.60%	198,563,163	5.89%
60-65%	1,699	4.97%	229,151,845	6.80%
65-70%	2,071	6.06%	314,730,120	9.34%
70-75%	2,485	7.27%	396,362,629	11.76%
75-80%	1,584	4.63%	231,563,341	6.87%
80-85%	1,664	4.87%	246,722,423	7.32%
85-90%	1,205	3.52%	172,117,534	5.11%
90-95%	800	2.34%	105,650,804	3.13%
95-100%	600	1.75%	80,633,723	2.39%
100-105%	444	1.30%	59,869,336	1.78%
105-110%	333	0.97%	43,240,555	1.28%
110-125%	323	0.94%	40,566,275	1.20%
125%+	27	0.08%	3,628,641	0.11%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	857	2.51%	1,499,704	0.04%
5,000-10,000	622	1.82%	4,735,013	0.14%
10,000-25,000	2,864	8.37%	52,093,030	1.55%
25,000-50,000	5,880	17.19%	220,475,579	6.54%
50,000-75,000	5,611	16.41%	350,002,825	10.39%
75,000-100,000	5,075	14.84%	442,248,248	13.12%
100,000-150,000	7,003	20.48%	856,482,770	25.41%
150,000-200,000	3,261	9.54%	559,974,081	16.62%
200,000-250,000	1,407	4.11%	312,152,511	9.26%
250,000-300,000	689	2.01%	187,794,255	5.57%
300,000-350,000	371	1.08%	120,093,918	3.56%
350,000-400,000	201	0.59%	74,895,863	2.22%
400,000-450,000	109	0.32%	46,359,258	1.38%
450,000-500,000	78	0.23%	36,872,370	1.09%
500,000-600,000	90	0.26%	49,102,581	1.46%
600,000-700,000	54	0.16%	34,719,600	1.03%
700,000-800,000	16	0.05%	12,006,425	0.36%
800,000-900,000	7	0.02%	5,814,551	0.17%
900,000-1,000,000	3	0.01%	2,844,489	0.08%
1,000,000 +	1	0.00%	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	950	2.78%	99,878,272	2.96%
East Midlands	1,590	4.65%	166,316,885	4.93%
Greater London	2,371	6.93%	416,983,994	12.37%
Northern Ireland	125	0.37%	10,972,396	0.33%
North	2,153	6.30%	172,112,983	5.11%
North West	5,746	16.80%	486,032,786	14.42%
Scotland	4,052	11.85%	340,629,514	10.11%
South East	3,777	11.04%	527,324,866	15.65%
South West	1,606	4.70%	173,924,101	5.16%
Wales	1,514	4.43%	128,908,907	3.83%
West Midlands	1,760	5.15%	182,395,219	5.41%
Yorkshire and Humberside	8,555	25.02%	664,687,150	19.72%
Other	0	0.00%	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,559	54.27%	1,744,136,049	51.75%
Part-and-part	0	0.00%	0	0.00%
Interest-only	3,546	10.37%	426,241,194	12.65%
Offset	12,094	35.36%	1,199,789,828	35.60%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	874	2.56%	153,531,070	4.56%
12-24 months	1,720	5.03%	289,845,907	8.60%
24-36 months	2,837	8.30%	440,770,647	13.08%
36-48 months	1,377	4.03%	170,853,853	5.07%
48-60 months	2,287	6.69%	286,891,114	8.51%
60-72 months	4,392	12.84%	505,066,669	14.99%
72-84 months	4,904	14.34%	466,123,967	13.83%
84-96 months	3,597	10.52%	310,271,992	9.21%
96-108 months	2,864	8.37%	201,114,295	5.97%
108-120 months	3,458	10.11%	210,285,214	6.24%
120-150 months	5,889	17.22%	335,412,343	9.95%
150-180 months	0	0.00%	0	0.00%
180+ months	0	0.00%	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	18,323	53.58%	1,943,097,141	57.66%
SVR	6,604	19.31%	511,111,303	15.17%
Tracker	9,266	27.09%	915,776,742	27.17%
Other (please specify)	6	0.02%	181,886	0.01%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	34,199	100.00%	3,370,167,071	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully-verified	34,199	100.00%	3,370,167,071	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,126	3.29%	33,762,034	1.00%
30-60 months	1,864	5.45%	76,712,722	2.28%
60-120 months	5,238	15.32%	309,559,510	9.19%
120-180 months	8,150	23.83%	653,805,418	19.40%
180-240 months	10,342	30.24%	1,172,086,535	34.78%
240-300 months	5,369	15.70%	805,590,126	23.90%
300-360 months	1,555	4.55%	231,503,660	6.87%
360+ months	555	1.62%	87,147,067	2.59%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	21,101	61.70%	2,478,602,527	73.55%
Self-employed	1,060	3.10%	146,921,158	4.36%
Unemployed	63	0.18%	4,501,235	0.13%
Retired	509	1.49%	26,933,920	0.80%
Guarantor	0	0.00%	0	0.00%
Other	11,466	33.53%	713,208,232	21.16%
Total	34,199	100.00%	£ 3,370,167,071	100.00%

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

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

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)	Yes	Back up Servicer appointed
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)	Yes	Back up Cash Manager required (Negotiations taking place)
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)	Yes	Pre-funding of amount due in respect of the bonds/to the relevant covered bond swap provider. Pre-funding ledger in place
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.