

Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: December 2012
Administration

Name of issuer	Yorkshire Building Society
Name of RCB programme	YBS Covered Bond
Name, job title and contact details of person validating this form	Daren Murray, Head of Wholesale Funding
Date of form submission	25/01/2013
Start Date of reporting period	01/12/2012
End Date of reporting period	31/12/2012
Web links - prospectus, transaction documents, loan-level data	http://www.ybs.co.uk/your_society/treasury/wholesale_funding.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)	3,377,088,923								
Swap notional maturity/ies	Loan balance zero								
LLP receive rate/margin	1.71%								
LLP pay rate/margin	4.20%								
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	11,944,340	n/a	n/a
Interest on GIC	20,013	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	2,336,522	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	(7,249,317)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,378,970)	n/a	n/a
Pre-funding of monthly swap payments	(2,070,715)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	(1,002,979)	n/a	n/a
Deferred Consideration	(1,598,793)	n/a	n/a
Closing Balance	(0)	n/a	n/a
Principal receipts / ledger			
Beg Balance	n/a	n/a	n/a
Principal repayments under mortgages	46,445,399	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	2,583,065	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	(49,028,464)	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	0	n/a	n/a
Transfers from GIC	0	n/a	n/a
Closing Balance	10,500,000	10,500,000	10,500,000.00
Capital Account receipts / ledger			
Beg Balance	1,713,140,495	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	1,337,542	n/a	n/a
Increase in loan balance due to insurance & fees	375,468	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	(49,028,464)	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,665,825,042	n/a	n/a

Asset Coverage Test

	Value	Description
A	2,634,793,145	Adjusted current balance
B	46,445,399	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	102,600,022	Set-off
Z	140,126,599	Negative carry
Total: A + B + C + D - (Y + Z)	2,438,511,923	
Method Used for Calculating "A" (note 1)		A (i)
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)	686,491,923	
Credit support as derived from ACT (%)		39.2%

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

	EUR
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)	1,739,330,000
Cover pool balance (GBP)	3,414,237,101
GIC account balance (GBP)	72,199,099
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,214,895,417
Aggregate deposits attaching to the cover pool (GBP)	102,600,022
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	100,586,270
Nominal level of overcollateralisation (GBP)	686,491,923
Nominal level of overcollateralisation (%)	139.18%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,414,237,101
Number of Mortgages in Pool	34,505
Average loan balance (GBP)	98,949
Weighted average indexed LTV (%)	61.48
Weighted average non-indexed LTV (%)	60.16
Weighted average seasoning (months)	66.83
Weighted average remaining term (months)	212.76
Weighted average interest rate (%)	4.08
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% ,current month)	13.44
Constant Pre-Payment Rate (% ,quarterly average)	13.44
Principal Payment Rate (% ,current month)	17.16
Principal Payment Rate (% ,quarterly average)	17.16
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 / 4,6

Mortgage Collections

Mortgage collections (scheduled - interest)	11,944,340
Mortgage collections (scheduled - principal)	10,528,220
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	35,917,178

Loan Redemptions & Replenishments Since Previous Reporting Date

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	344	85.15%	30,353,254	91.03%
Loans bought back by seller(s)	56	13.86%	2,616,429	7.85%
of which are non-performing loans	4	0.99%	373,537	1.12%
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	23,109	66.97%	2,344,023,477	68.65%	4.52%	21.1	0	4.45	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	4,219	12.23%	438,523,851	12.84%	3.12%	0.14	2.21	2.62	5.46%
Fixed for life	1	0.00%	18,842	0.00%	0.00%	361	0	0	0.00%
Tracker at origination, reverting to SVR	2,926	8.48%	298,319,814	8.74%	3.70%	9.6	0	4.45	3.52%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	3,825	11.09%	308,441,145	9.03%	2.34%	167.48	1.84	0	4.90%
SVR, including discount to SVR	425	1.23%	24,909,971	0.73%	4.87%	181.8	0.05	4.45	5.15%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Total	34,505	100.00%	£ 3,414,237,101	100.00%					

Stratifications

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	34,081	98.77%	3,370,728,233	98.73%
0-1 month in arrears	261	0.76%	26,876,480	0.78%
1-2 months in arrears (greater than 1 month, includes 2 months)	83	0.24%	8,181,448	0.24%
2-3 months in arrears (greater than 2 months, includes 3 months)	41	0.12%	3,763,232	0.11%
3-6 months in arrears (greater than 3 months, includes 6 months)	35	0.10%	4,314,172	0.13%
6-12 months in arrears (greater than 6 months, includes 12 months)	4	0.01%	373,537	0.01%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Current Arrears Breakdown (by Indexed LTV)	Number	% of Total Number	Amount	% of Total Amount
Current	27,267	79.02%	2,403,925,136	70.41%
0 - <= 1 month arrears <= 75% LTV	119	0.34%	9,652,323	0.28%
> 1 - <= 2 month arrears <= 75% LTV	41	0.12%	3,265,786	0.10%
> 2 - <= 3 month arrears <= 75% LTV	19	0.06%	1,391,329	0.04%
> 3 month arrears <= 75% LTV	13	0.04%	1,023,778	0.03%
Current	6,816	19.75%	968,925,594	28.32%
0 - <= 1 month arrears > 75% LTV	142	0.41%	17,224,157	0.50%
> 1 - <= 2 month arrears > 75% LTV	42	0.12%	4,915,661	0.14%
> 2 - <= 3 month arrears > 75% LTV	22	0.06%	2,371,903	0.07%
> 3 month arrears > 75% LTV	22	0.06%	3,290,394	0.10%
No Valuation Available	2	0.01%	251,039	0.01%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,797	48.68%	1,016,843,356	29.78%
50-55%	2,025	5.87%	212,887,689	6.24%
55-60%	2,142	6.21%	251,021,304	7.35%
60-65%	2,305	6.68%	286,671,474	8.40%
65-70%	2,599	7.53%	362,962,173	10.63%
70-75%	2,809	8.14%	431,241,214	12.63%
75-80%	1,878	5.44%	275,889,089	8.07%
80-85%	2,002	5.80%	300,811,475	8.81%
85-90%	1,211	3.51%	173,681,574	5.09%
90-95%	497	1.44%	65,485,980	1.92%
95-100%	186	0.54%	28,595,326	0.84%
100-105%	33	0.10%	5,084,400	0.15%
105-110%	10	0.03%	1,654,018	0.05%
110-125%	8	0.02%	1,204,161	0.04%
125%+	3	0.01%	403,867	0.01%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	17,893	51.86%	1,072,874,769	31.42%
50-55%	1,686	4.89%	193,150,633	5.66%
55-60%	1,546	4.48%	196,060,730	5.74%
60-65%	1,735	5.03%	236,706,599	6.93%
65-70%	2,087	6.05%	319,423,077	9.36%
70-75%	2,513	7.28%	401,165,132	11.75%
75-80%	1,654	4.79%	240,976,067	7.06%
80-85%	1,706	4.94%	252,784,412	7.40%
85-90%	1,216	3.52%	173,428,475	5.08%
90-95%	786	2.28%	105,464,216	3.09%
95-100%	593	1.72%	79,324,575	2.32%
100-105%	446	1.29%	59,582,786	1.75%
105-110%	323	0.94%	41,485,507	1.22%
110-125%	302	0.88%	39,056,701	1.14%
125%+	18	0.05%	2,743,511	0.08%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	858	2.49%	1,535,345	0.04%
5,000-10,000	625	1.81%	4,743,416	0.14%
10,000-25,000	2,853	8.27%	51,902,810	1.52%
25,000-50,000	5,911	17.13%	221,464,044	6.49%
50,000-75,000	5,661	16.41%	353,031,935	10.34%
75,000-100,000	5,126	14.86%	446,634,997	13.08%
100,000-150,000	7,081	20.52%	866,547,608	25.38%
150,000-200,000	3,305	9.58%	667,687,159	19.63%
200,000-250,000	1,434	4.16%	318,053,680	9.32%
250,000-300,000	697	2.02%	189,869,071	5.56%
300,000-350,000	382	1.11%	123,580,472	3.62%
350,000-400,000	207	0.60%	77,055,182	2.26%
400,000-450,000	114	0.33%	48,437,010	1.42%
450,000-500,000	79	0.23%	37,316,673	1.09%
500,000-600,000	90	0.26%	49,151,600	1.44%
600,000-700,000	54	0.16%	34,757,392	1.02%
700,000-800,000	17	0.05%	12,786,612	0.37%
800,000-900,000	7	0.02%	5,841,061	0.17%
900,000-1,000,000	4	0.01%	3,846,412	0.11%
1,000,000+	0	0.00%	0	0.00%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	962	2.79%	101,678,964	2.98%
East Midlands	1,602	4.64%	168,300,180	4.93%
Greater London	2,415	7.00%	427,505,013	12.52%
Northern Ireland	126	0.37%	11,032,521	0.32%
North	2,169	6.29%	173,886,578	5.09%
North West	5,778	16.75%	490,049,571	14.35%
Scotland	4,086	11.84%	344,580,135	10.09%
Other South East	3,819	11.07%	534,942,640	15.67%
South West	1,625	4.71%	176,551,105	5.17%
Wales	1,519	4.40%	129,742,452	3.80%
West Midlands	1,775	5.14%	184,325,515	5.40%
Yorkshire and Humberside	8,628	25.01%	671,642,427	19.67%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,716	54.24%	1,767,678,596	51.77%
Part-and-part	0	0.00%	0	0.00%
Interest-only	3,597	10.42%	431,663,087	12.64%
Offset	12,192	35.33%	1,214,895,417	35.58%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	1,083	3.14%	190,455,238	5.58%
12-24 months	1,674	4.85%	283,496,592	8.30%
24-36 months	2,834	8.21%	436,045,075	12.77%
36-48 months	1,395	4.05%	174,193,960	5.10%
48-60 months	2,463	7.14%	312,022,878	9.14%
60-72 months	4,632	13.42%	523,799,920	15.34%
72-84 months	4,856	14.07%	461,172,144	13.51%
84-96 months	3,452	10.00%	291,808,145	8.55%
96-108 months	2,897	8.40%	202,918,188	5.94%
108-120 months	3,677	10.66%	222,481,908	6.52%
120-150 months	5,538	16.05%	315,843,052	9.25%
150-180 months	0	0.00%	0	0.00%
180+ months	0	0.00%	0	0.00%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	18,314	53.08%	1,949,354,730	57.09%
SVR	6,839	19.82%	536,950,436	15.73%
Tracker	9,344	27.08%	927,638,323	27.17%
Other (please specify)	8	0.02%	293,612	0.01%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	34,505	100.00%	3,414,237,101	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	34,505	100.00%	3,414,237,101	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,142	3.31%	33,918,278	0.99%
30-60 months	1,833	5.31%	75,982,195	2.23%
60-120 months	5,262	15.25%	310,836,736	9.10%
120-180 months	8,120	23.53%	652,111,877	19.10%
180-240 months	10,520	30.49%	1,192,170,213	34.92%
240-300 months	5,473	15.86%	823,610,105	24.12%
300-360 months	1,582	4.58%	235,278,275	6.89%
360+ months	573	1.66%	90,529,422	2.65%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	21,286	61.70%	2,512,212,108	73.58%
Self-employed	1,070	3.10%	148,219,485	4.34%
Unemployed	71	0.21%	4,728,021	0.14%
Retired	517	1.50%	27,347,496	0.80%
Guarantor	0	0.00%	0	0.00%
Other	11,559	33.50%	721,729,991	21.14%
Total	34,505	100.00%	£ 3,414,237,101	100.00%

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

Series	5	7	8
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 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)	Yes	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)	Yes	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.