

**Yorkshire Building Society €7.5bn Covered Bond Programme - Monthly Investor Report: May 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	21/06/2014
Start Date of reporting period	01/05/2014
End Date of reporting period	31/05/2014
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)	3,116,196,069								
Swap notional maturity/ies	Loan balance zero								
LLP receive rate/margin	1.70%								
LLP pay rate/margin	3.77%								
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	9,172,066	n/a	n/a
Interest on GIC	14,365	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	(5,481,797)	n/a	n/a
Interest (to) Covered Bond Swap Providers	(2,328,525)	n/a	n/a
Pre-funding of monthly swap payments / other payments	(962,496)	n/a	n/a
Interest paid on Covered Bonds without Covered Bonds Swaps	0	n/a	n/a
Deferred Consideration	(413,513)	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	42,740,583	n/a	n/a
Proceeds from Term Advances	0	n/a	n/a
Mortgages Purchased	(149,785,896)	n/a	n/a
Cash Capital Contributions deemed to be principal	0	n/a	n/a
Proceeds from Mortgage Sales	5,597,653	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	101,447,659	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	1,366,417,006	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	1,654,932	n/a	n/a
Increase in loan balance due to insurance & fees	252,510	n/a	n/a
Capital Contributions	0	n/a	n/a
Capital Distribution	101,447,659	n/a	n/a
Losses from Capital Contribution in Kind	0	n/a	n/a
Closing Balance	1,469,772,107	n/a	n/a

**Asset Coverage Test**

	Value	Description
A	2,691,192,537	Adjusted current balance
B	42,740,583	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	120,972,188	Set-off
Z	90,075,283	Negative carry
Total: A + B + C + D - (Y + Z)	2,522,885,648	
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)	770,865,648	
Credit support as derived from ACT (%)	44.0%	

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)	1,738,136,000
Cover pool balance (GBP)	3,221,950,204
GIC account balance (GBP)	62,281,623
Any additional collateral (please specify)	0
Any additional collateral (GBP)	0
Aggregate balance of off-set mortgages (GBP)	1,170,692,096
Aggregate deposits attaching to the cover pool (GBP)	120,972,188
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	118,956,425
Nominal level of overcollateralisation (GBP)	770,865,648
Nominal level of overcollateralisation (%)	144.00%
Total Outstanding Current Balance of Mortgages in the Portfolio	3,221,950,204
Number of Mortgages in Pool	32,730
Average loan balance (GBP)	98,440
Weighted average indexed LTV (%)	55.03
Weighted average non-indexed LTV (%)	58.05
Weighted average seasoning (months)	74.24
Weighted average remaining term (months)	207.74
Weighted average interest rate (%)	3.72
Standard Variable Rate(s) (%)	4.99
Constant Pre-Payment Rate (% , current month)	12.13
Constant Pre-Payment Rate (% , quarterly average)	11.92
Principal Payment Rate (% , current month)	16.46
Principal Payment Rate (% , quarterly average)	16.16
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 / 3.8

**Mortgage Collections**

Mortgage collections (scheduled - interest)	9,172,066
Mortgage collections (scheduled - principal)	10,804,831
Mortgage collections (unscheduled - interest)	0
Mortgage collections (unscheduled - principal)	31,935,753

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

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date	336	29.47%	24,000,745	13.21%
Loans bought back by seller(s)	52	4.56%	7,201,856	3.96%
of which are non-performing loans	7	0.61%	737,401	0.41%
of which have breached R&Ws	0	0.00%	0	0.00%
Loans sold into the cover pool	745	65.35%	149,767,056	82.42%

**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	23,464	71.69%	2,423,013,759	75.20%	3.96%	22.29	0	4.45	3.96%
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	3,595	10.98%	352,011,674	10.93%	2.89%	0	2.39	2.39	5.46%
Fixed for life	3	0.01%	22,477	0.00%	0.00%	184.41	0	0	0.00%
Tracker at origination, reverting to SVR	1,946	5.95%	168,281,947	5.22%	3.98%	2.91	0	4.45	3.63%
Tracker at origination, reverting to Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
Tracker for life	3,368	10.29%	260,806,077	8.09%	2.32%	154.9	1.82	0	4.81%
SVR, including discount to SVR	354	1.08%	17,814,269	0.55%	4.99%	166.87	0.03	4.45	5.09%
Libor	0	0.00%	0	0.00%	0.00%	0	0	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>					

**Stratifications**

Arrears Breakdown	Number	% of Total Number	Amount	% of Total Amount
Current	32,285	98.64%	3,178,421,361	98.65%
0-1 month in arrears	267	0.82%	25,335,327	0.79%
1-2 months in arrears (greater than 1 month, includes 2 months)	90	0.27%	9,021,439	0.28%
2-3 months in arrears (greater than 2 months, includes 3 months)	42	0.13%	4,063,128	0.13%
3-6 months in arrears (greater than 3 months, includes 6 months)	39	0.12%	4,371,547	0.14%
6-12 months in arrears (greater than 6 months, includes 12 months)	7	0.02%	737,401	0.02%
12+ months in arrears (greater than 12 months)	0	0.00%	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Current LTV (Non-Indexed)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Non Indexed	16,952	51.79%	1,039,922,776	32.28%
50-55%	1,982	6.06%	227,757,265	7.07%
55-60%	2,192	6.70%	279,059,627	8.66%
60-65%	2,430	7.42%	337,233,059	10.47%
65-70%	2,426	7.41%	347,047,673	10.77%
70-75%	2,423	7.40%	378,003,323	11.73%
75-80%	1,564	4.78%	218,164,494	6.77%
80-85%	1,412	4.31%	201,715,781	6.26%
85-90%	895	2.73%	128,266,202	3.98%
90-95%	284	0.87%	38,628,359	1.20%
95-100%	122	0.37%	19,197,368	0.60%
100-105%	33	0.10%	4,675,034	0.15%
105-110%	8	0.02%	1,222,983	0.04%
110-125%	4	0.01%	628,792	0.02%
125%+	3	0.01%	427,469	0.01%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Current LTV (Indexed as Defined in OC)	Number	% of Total Number	Amount	% of Total Amount
0-50% - Indexed	18,845	57.58%	1,221,410,998	37.91%
50-55%	1,812	5.54%	242,391,101	7.52%
55-60%	1,985	6.06%	298,447,708	9.26%
60-65%	2,323	7.10%	359,663,893	11.16%
65-70%	2,041	6.24%	306,977,555	9.53%
70-75%	1,856	5.67%	273,153,309	8.48%
75-80%	1,224	3.74%	163,838,012	5.09%
80-85%	998	3.05%	139,245,197	4.32%
85-90%	678	2.07%	91,079,680	2.83%
90-95%	422	1.29%	54,677,353	1.70%
95-100%	269	0.82%	34,240,330	1.06%
100-105%	170	0.52%	20,893,357	0.65%
105-110%	59	0.18%	8,418,940	0.26%
110-125%	40	0.12%	6,293,127	0.20%
125%+	8	0.02%	1,219,643	0.04%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	886	2.71%	1,532,941	0.05%
5,000-10,000	739	2.26%	5,990,154	0.17%
10,000-25,000	2,904	8.87%	52,496,551	1.63%
25,000-50,000	5,785	17.67%	216,475,969	6.72%
50,000-75,000	5,305	16.21%	330,734,055	10.27%
75,000-100,000	4,766	14.56%	415,231,620	12.89%
100,000-150,000	6,411	19.59%	784,666,929	24.35%
150,000-200,000	2,960	9.04%	508,913,432	15.80%
200,000-250,000	1,270	3.88%	282,514,567	8.77%
250,000-300,000	654	2.00%	178,733,712	5.55%
300,000-350,000	376	1.15%	121,745,739	3.78%
350,000-400,000	240	0.73%	89,664,639	2.78%
400,000-450,000	128	0.39%	54,335,945	1.69%
450,000-500,000	78	0.24%	37,099,723	1.15%
500,000-600,000	117	0.36%	63,881,055	1.98%
600,000-700,000	67	0.20%	42,947,856	1.33%
700,000-800,000	23	0.07%	17,054,123	0.53%
800,000-900,000	15	0.05%	12,540,259	0.39%
900,000-1,000,000	6	0.02%	5,790,935	0.18%
1,000,000 +	0	0.00%	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Regional Distribution	Number	% of Total Number	Amount	% of Total Amount
East Anglia	905	2.77%	95,250,116	2.96%
East Midlands	1,499	4.58%	151,230,207	4.69%
Greater London	2,331	7.12%	442,868,208	13.75%
Northern Ireland	186	0.57%	18,757,725	0.58%
North	2,002	6.12%	152,796,454	4.74%
North West	5,370	16.41%	439,488,601	13.64%
Scotland	4,328	13.22%	380,390,387	11.81%
South East	3,543	10.82%	493,767,007	15.33%
South West	1,443	4.41%	152,894,312	4.75%
Wales	1,449	4.43%	118,662,752	3.68%
West Midlands	1,653	5.05%	167,352,493	5.20%
Yorkshire and Humberside	8,021	24.51%	608,271,943	18.88%
Other	0	0.00%	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	18,029	55.08%	1,706,655,922	52.97%
Part-and-part	0	0.00%	0	0.00%
Interest-only	2,937	8.97%	344,602,187	10.70%
Offset	11,764	35.94%	1,170,692,096	36.33%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	2,386	7.29%	456,106,766	14.16%
12-24 months	505	1.54%	85,590,316	2.66%
24-36 months	1,555	4.75%	243,234,290	7.55%
36-48 months	2,287	6.99%	340,591,944	10.57%
48-60 months	1,220	3.73%	146,338,340	4.54%
60-72 months	1,266	3.87%	144,554,809	4.49%
72-84 months	3,177	9.71%	353,099,314	10.96%
84-96 months	4,277	13.07%	409,664,327	12.71%
96-108 months	3,602	11.01%	305,626,992	9.49%
108-120 months	2,463	7.53%	170,708,636	5.30%
120-150 months	7,848	23.98%	454,706,596	14.11%
150-180 months	2,144	6.55%	111,727,873	3.47%
180+ months	0	0.00%	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	18,819	57.50%	2,081,718,895	64.61%
SVR	6,157	18.81%	429,564,035	13.33%
Tracker	7,754	23.69%	710,667,274	22.06%
Other (please specify)	0	0.00%	0.00	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	32,730	100.00%	3,221,950,204	100.00%
Buy-to-let	0	0.00%	0	0.00%
Second home	0	0.00%	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	32,730	100.00%	3,221,950,204	100.00%
Fast-track	0	0.00%	0	0.00%
Self-certified	0	0.00%	0	0.00%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	1,267	3.87%	39,508,526	1.23%
30-60 months	1,959	5.99%	76,410,246	2.37%
60-120 months	5,442	16.63%	319,138,189	9.91%
120-180 months	9,013	27.54%	727,700,468	22.59%
180-240 months	8,183	25.00%	978,432,936	30.37%
240-300 months	4,799	14.66%	749,411,785	23.26%
300-360 months	1,492	4.56%	235,552,278	7.31%
360+ months	575	1.76%	95,795,776	2.97%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	20,141	61.54%	2,395,005,323	74.33%
Self-employed	993	3.03%	140,061,049	4.35%
Unemployed	88	0.27%	7,363,060	0.23%
Retired	447	1.37%	23,311,274	0.72%
Guarantor	0	0.00%	0	0.00%
Other	11,061	33.79%	656,209,498	20.37%
<b>Total</b>	<b>32,730</b>	<b>100.00%</b>	<b>£ 3,221,950,204</b>	<b>100.00%</b>

**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/SP/Fitch/DBRS)	Aa1/AAA	Aa1/AAA	Aa2/AAA
Current rating (Moody's/SP/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)	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