

## Appendix 1

### Yorkshire Building Society

#### Reconciliation of Core Operating Profits

	2014 £m	2013 £m
<b>Statutory Profit before tax</b>	<b>188.2</b>	<b>199.3</b>
Reverse out the following items:		
FSCS levy	12.4	11.8
Non-core investments	(11.2)	(14.3)
Timing differences - fair value volatility	22.1	(1.6)
Mergers - adjustments to balances acquired	(32.8)	(93.5)
Mergers and acquisitions - costs	0.1	1.6
Mortgage book disposal	-	12.6
Balance sheet structured debt buy back	-	30.3
Other non-core items	-	5.8
<b>Core Operating Profit</b>	<b>178.8</b>	<b>152.0</b>

## Yorkshire Building Society

### Group Income Statement for the year ended 31 December

	2014 £m	2013 £m
Net interest income	549.2	531.6
Other income and charges	25.6	37.6
Net (losses)/gains from fair value volatility	(10.9)	15.9
Net realised profits/(losses)	1.3	(41.7)
	565.2	543.4
Administrative expenses	(331.0)	(300.0)
<b>Operating profit before provisions</b>	<b>234.2</b>	<b>243.4</b>
Provisions	(46.0)	(44.1)
<b>Profit before tax</b>	<b>188.2</b>	<b>199.3</b>
Taxation	(40.8)	(51.2)
<b>Profit for the period</b>	<b>147.4</b>	<b>148.1</b>

## Yorkshire Building Society

### Group Statement of Comprehensive Income for the year ended 31 December

	2014 £m	2013 £m
<b>Net profit</b>	<b>147.4</b>	<b>148.1</b>
<b>Items that may subsequently be reclassified to profit and loss</b>		
Available-for-sale investments:		
Valuation (losses)/gains taken to equity	(3.1)	4.0
Amounts transferred to income statement (included in net realised profits)	(3.2)	(23.0)
Cash Flow hedges:		
(Losses)/gains taken to equity	(43.4)	68.3
Amounts transferred to income statement (included in net realised profits)	3.6	2.5
Tax relating to items that may be reclassified	9.3	(12.1)
<b>Items that will not be reclassified subsequently to profit and loss</b>		
Remeasurement of net retirement benefit obligations	50.3	(20.4)
Tax relating to items not reclassified	(10.0)	0.5
<b>Total comprehensive income for the year</b>	<b>150.9</b>	<b>167.9</b>

## Yorkshire Building Society

### Group Statement of Financial Position as at 31 December

	2014 £m	2013 £m
<b>ASSETS</b>		
Liquid assets	4,794.7	4,421.2
Loans to customers	32,234.1	29,515.8
Derivative financial instruments	214.3	273.0
Other assets	328.9	243.4
<b>Total Assets</b>	<b>37,572.0</b>	<b>34,453.4</b>
<b>LIABILITIES</b>		
Shares	27,241.4	26,290.3
Borrowings	7,502.5	5,916.4
Derivative financial instruments	413.6	194.8
Other liabilities	147.8	187.0
Subordinated liabilities	299.5	48.7
Subscribed capital	6.9	6.8
Reserves	1,960.3	1,809.4
<b>Total Liabilities</b>	<b>37,572.0</b>	<b>34,453.4</b>

### Key ratios

	2014 %	2013 %
Group net interest margin	1.52	1.56
Group management expenses/mean assets	0.92	0.88
Group asset growth	9.1	2.9
Group loans and advances growth	9.2	7.0
Member savings balances growth	3.6	(2.0)
Liquidity ratio	13.8	13.7
Funding ratio	21.6	18.4
Gross capital ratio	6.52	5.79
Free capital ratio	6.05	5.27
Total capital ratio	16.1	14.3
Common Equity Tier 1 capital ratio	13.8	13.9
Leverage ratio	4.8	4.6
Cost : income ratio	58.6	55.2