

Appendix 1

YORKSHIRE BUILDING SOCIETY

Reconciliation of Core Operating Profits

	6 months to 30 June 2014 £m	6 months to 30 June 2013 £m	Year to 31 December 2013 £m
Statutory Profit before tax	117.1	68.3	199.3
Reverse out the following items:			
FSCS levy	15.5	11.8	11.8
Non-core investments	(13.1)	(3.6)	(14.3)
Timing differences - fair value volatility	0.5	3.1	(1.6)
Mergers – adjustments to balances acquired	(11.4)	-	(93.5)
Mergers and acquisitions - costs	0.1	0.6	1.6
Mortgage book disposal	-	-	12.6
Balance sheet structured debt buy back	-	-	30.3
Other non-core items	(1.2)	2.4	5.8
Core Operating Profit	107.5	82.6	152.0

Appendix 2

Yorkshire Building Society

Group income statement

	6 months to 30 June 2014 (Unaudited)	6 months to 30 June 2013 (Unaudited)	Year to 31 December 2013 (Audited)
	£m	£m	£m
Net interest income	276.7	203.8	531.6
Other income and charges	15.1	22.1	37.6
Net gains/(losses) from fair value volatility	12.6	0.5	15.9
Net realised profits/(losses)	0.9	1.2	(41.7)
	305.3	227.6	543.4
Administrative expenses	(162.4)	(132.0)	(298.4)
Merger and acquisition costs	(0.1)	(0.6)	(1.6)
Operating profit before provisions	142.8	95.0	243.4
Provisions	(25.7)	(26.7)	(44.1)
Profit before tax	117.1	68.3	199.3
Taxation	(25.5)	(20.1)	(51.2)
Profit for the period	91.6	48.2	148.1

Group statement of comprehensive income

Net profit	91.6	48.2	148.1
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Items that will subsequently be reclassified to profit and loss:

Available for sale investments:

Valuation (losses)/gains taken to equity	(3.8)	(7.9)	4.0
Amounts transferred to income statement	(3.5)	(0.8)	(23.0)

Cash flow hedges:

(Losses)/gains taken to equity	(1.4)	32.0	68.3
Amounts transferred to income statement	1.7	0.3	2.5
Tax relating to items that may be reclassified	1.5	(5.4)	(12.1)

Items that will not be reclassified subsequently to profit and loss:

Remeasurement of net retirement benefit obligations	16.1	6.1	(20.4)
Tax relating to items not reclassified	(3.2)	(1.4)	0.5

Total comprehensive income	99.0	71.1	167.9
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Yorkshire Building Society

Group statement of financial position

	30 June 2014 (Unaudited)	30 June 2013 (Unaudited)	31 December 2013 (Audited)
	£m	£m	£m
ASSETS			
Liquid assets	4,638.1	4,140.2	4,421.2
Loans to customers	30,773.2	27,975.8	29,515.8
Derivative financial instruments	212.9	314.2	273.0
Fixed and other assets	262.2	298.8	243.4
Total assets	35,886.4	32,729.0	34,453.4
LIABILITIES			
Shares	26,479.4	26,293.8	26,290.3
Borrowings	7,087.0	3,996.4	5,916.4
Derivative financial instruments	176.5	398.1	194.8
Other liabilities	178.7	197.9	187.0
Subordinated liabilities	49.6	123.2	48.7
Subscribed capital	6.8	7.0	6.8
Reserves	1,908.4	1,712.6	1,809.4
Total liabilities and equity	35,886.4	32,729.0	34,453.4

Key ratios

	30 June 2014	30 June 2013	31 December 2013
	%	%	%
Group net interest margin	1.57	1.23	1.56
Group management expenses/mean assets	0.92	0.80	0.88
- excluding merger and one-off costs	0.92	0.71	0.88
Leverage ratio	4.5	4.8	4.6
Group asset growth	4.2	(2.3)	2.9
Group loans and advances growth	4.3	1.5	7.0
Member balances growth	0.7	(2.0)	(2.0)
Liquidity ratio	13.8	13.7	13.7
Funding ratio	21.1	13.2	18.4
Gross capital ratio	5.85	6.09	5.79
Free capital ratio	5.38	5.57	5.27
Solvency ratio	14.0	14.6	14.3
Core Tier 1 capital ratio	n/a	13.7	13.9
Common Equity Tier 1 capital ratio	13.6	n/a	n/a
Cost:income ratio	53.2	58.3	55.2