



Appendix 1

Yorkshire Building Society

Reconciliation of Core Operating Profits

	6 months to 30 June 2016 £m	6 months to 30 June 2015 £m	Year to 31 December 2015 £m
Statutory Profit before tax	99.9	111.2	173.3
Reverse out the following items:			
FSCS levy	8.3	11.5	11.5
Timing differences - fair value volatility	(25.0)	(1.3)	5.8
Mergers - adjustments to balances acquired	(2.8)	(5.0)	(4.1)
Profits on disposal of property and other assets	(17.9)	-	-
Other non-core items	-	(0.5)	(1.2)
Core Operating Profit	62.5	115.9	185.3

Yorkshire Building Society

Group Income Statement

	6 months to 30 June 2016	6 months to 30 June 2015	Year to 31 December 2015
Net interest income	235.5	276.0	534.6
Other income and charges	26.1	10.9	18.0
Net gains/(losses)from fair value volatility	25.0	1.8	(6.5)
Net realised profits	-	2.2	2.1
	286.6	290.9	548.2
Administrative expenses	(172.3)	(165.0)	(346.1)
Operating profit before provisions	114.3	125.9	202.1
Provisions	(14.4)	(14.7)	(28.8)
Profit before tax	99.9	111.2	173.3
Taxation	(24.2)	(22.8)	(34.8)
Profit for the period	75.7	88.4	138.5

Yorkshire Building Society

Group Statement of Comprehensive Income

	6 months to 30 June 2016 £m	6 months to 30 June 2015 £m	Year to 31 December 2015 £m
Net profit	75.7	88.4	138.5
Items that may subsequently be reclassified to profit and loss			
Available-for-sale investments:			
Valuation gains taken to equity	8.7	14.5	12.3
Amounts transferred to income statement	-	(13.6)	(10.6)
Tax on available for sale securities	(2.2)	(0.2)	(0.3)
Cash Flow hedges:			
(Losses)/gains taken to equity	(31.1)	13.4	7.5
Amounts transferred to income statement	7.0	3.1	7.1
Tax on cash flow hedge reserve	6.4	(3.3)	(3.0)
Effect of change in corporation tax rate	-	-	1.9
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of net retirement benefit obligations	25.3	(42.2)	(9.5)
Tax relating to retirement benefit obligations	(6.7)	8.4	1.9
Effect of change in corporation tax rate	-	-	(3.3)
Effect of change in corporation tax rate on prior year movements in general reserves	-	-	2.1
Total comprehensive income for the year	83.1	68.5	144.6

Yorkshire Building Society

Group Statement of Financial Position

	30 June 2016 £m	30 June 2015 £m	31 December 2015 £m
ASSETS			
Liquid assets	4,717.5	5,234.8	4,404.7
Loans to customers	33,996.8	32,836.2	33,321.7
Derivative financial instruments	525.3	140.1	180.1
Other assets	350.2	273.5	312.1
Total Assets	39,589.8	38,484.6	38,218.6
LIABILITIES			
Shares	28,979.9	27,451.1	27,396.4
Borrowings	7,468.3	8,105.7	7,955.5
Derivative financial instruments	509.8	472.9	340.9
Other liabilities	132.1	126.5	128.1
Subordinated liabilities	304.9	292.8	286.1
Subscribed capital	6.8	6.8	6.7
Reserves	2,188.0	2,028.8	2,104.9
Total Liabilities	39,589.8	38,484.6	38,218.6

Key ratios

	30 June 2016 %	30 June 2015 %	31 December 2015 %
Group net interest margin	1.21	1.45	1.41
Group management expenses/mean assets	0.89	0.87	0.91
Group asset growth	3.6	2.4	1.7
Group loans and advances growth	2.0	1.9	3.4
Member savings balances growth	5.8	0.8	0.6
Liquidity ratio	12.9	14.7	12.5
Funding ratio	20.5	22.8	22.5
Gross capital ratio	6.86	6.55	6.78
Free capital ratio	6.45	6.08	6.33
Total capital ratio	17.0	16.6	16.8
Common Equity Tier 1 capital ratio	14.6	14.3	14.5
Leverage ratio	5.0	4.9	5.0
Cost : income ratio	61.9	56.7	63.1