



# Building Societies Database 2015

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## **Contents**

Foreword – Richard Gabbertas	1
Sector Performance – Matthew Rowell	2
Market Outlook – Simon Walker	8
Tables – Peer Group 1	11
Tables – Peer Group 2	20
Tables – Peer Group 3	29
Explanation of the tables, statistics and ratios	38

# Building Societies Database 2015

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## Welcome to the 25th edition of KPMG's annual Building Societies Database

**I am delighted to introduce the current year edition of the KPMG Building Societies Database, which summarises the results of the Building Society sector reported between August 2014 and April 2015.**

This is somewhat later than usual this year, for which I must apologise, but we do intend to revise and update the publication significantly next year and will be canvassing your views on this.

The statistics present a picture of an industry returning to growth following the stresses of the financial crisis and continuing to offer a genuine choice to consumers.

If you would like to know more about the services KPMG provides to both the Building Society sector and the wider retail banking market, then please feel free to contact me using the details below.

### **Richard Gabbertas**

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## Sector performance

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The data contained in the 2015 Database has been extracted from public information sources for building societies with financial year ends between August 2014 and April 2015.

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### A quick snapshot...

With performance and returns beginning to stabilise within the sector and balance sheets and reserves being rebuilt, the sector is at an exciting turning point. The market place is rapidly changing, along with customer needs on the back of the digital revolution and

rapid expansion of mobile banking, it leaves the sector at a turning point: does it stick to its tried and tested business model or embrace innovation and ride the digital wave?





### Asset base continues to grow

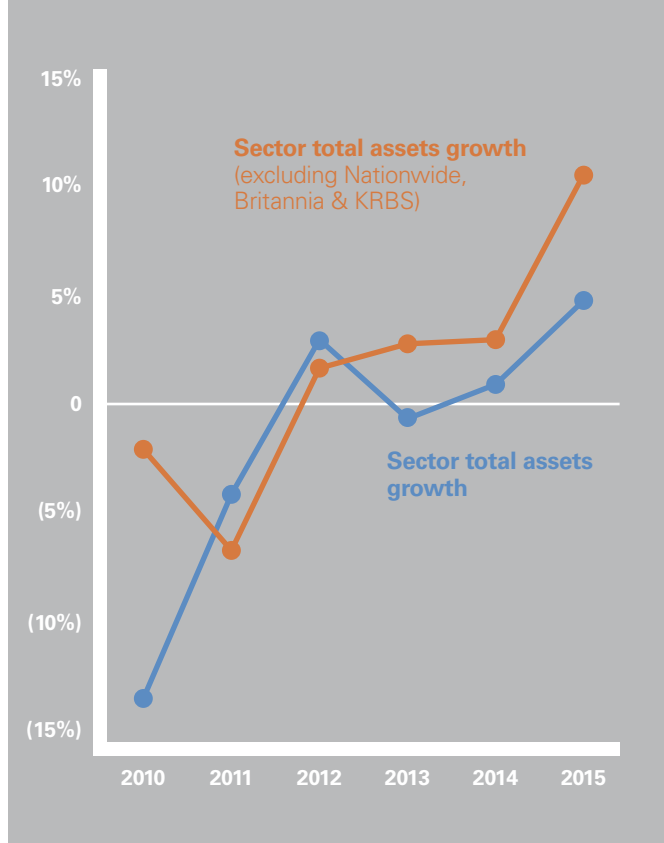
The current reporting season has seen a continuation of the previous season's trend, with strong asset growth experienced in all three peer groups, and a total of 35 out of 44 societies reporting asset growth during the period.

Overall asset growth across all societies reached 6.07%, but this marked increase is more remarkable when the impact of Nationwide, the sector's largest participant, is excluded: the assets of the remaining societies increased by £13.2 billion, or 10.47%, following on from a 3.1% increase in the previous period.

This marked growth is also not restricted to a certain segment of Building Societies, with the larger Yorkshire and Cumberland Building Societies experiencing double digit growth alongside smaller ones like Holmesdale and Ecology Building Societies who also posted impressive growth.

## 35 of 44 Societies reported increases in total assets

TOTAL ASSET GROWTH (%)





### **Housing market correlations**

The increase in total assets continues to be largely fuelled by lending to home-owners and buy-to-let (BTL) investors, reflected by the performance of the housing market which remains short of supply. Mortgage approvals have increased by 8% in a year, a trend which looks set to continue.

### **Bank of England and Government intervention**

It appears the recent performance of the housing market has not escaped the watchful eye of the Bank of England and the Treasury. Whilst there remains considerable uncertainty as to when base rates will rise, the Chancellor has announced that stamp duty will increase by 3% on BTL properties from April.

### **Impact on building societies**

Increases in interest rates will slow the rate of recent asset growth and eventually will also have potential impacts on borrowers' ability to meet repayments. This will, however, be subject to the delay between increases in base rates and these being passed on to borrowers in higher mortgage rates and repayments which will be influenced by the weighting of fixed rate, SVR and tracker rates in Societies' books.

According to the Bank of England 90% of new homeowners, and thus ones with generally the largest loans, are on fixed rate deals. It is therefore likely that there will be a significant, but unproven, time delay for rate rises to flow through into increased arrears, repossessions and impairment.





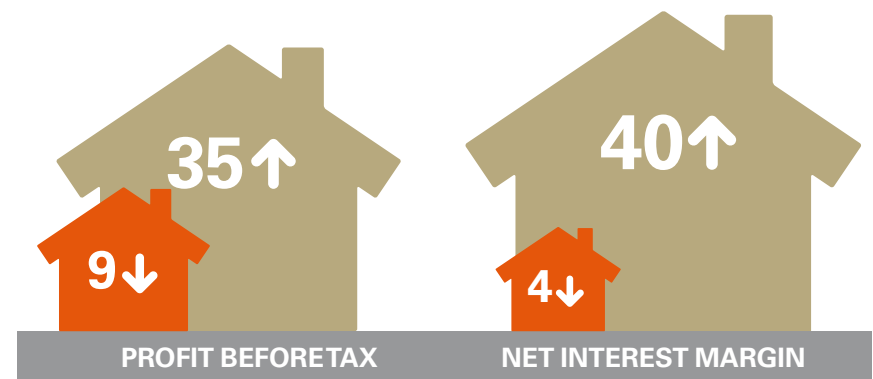
### Profitability remains strong

As with asset growth, the profitability of the sector has continued to thrive, with 40 out of 44 building societies reporting increased net interest margins, on the back of increased margins in the previous season.

A key focus point here will be the effect of future increases in base rate. Borrowing costs have long been depressed in both the wholesale and retail markets, largely driven by the Funding for Lending Scheme (FLS). The approach taken by individual societies to dealing with increased funding costs will depend on the current nature of their loan books and balance sheet strength.

It will also be interesting to watch the development of housing market performance overall in response to any rate increases. Significant increases in the mortgage rates will take some of the heat from the housing market which may serve to increase competition in the lending market as demand slows.

## 40 out of 44 societies increased their net interest margin



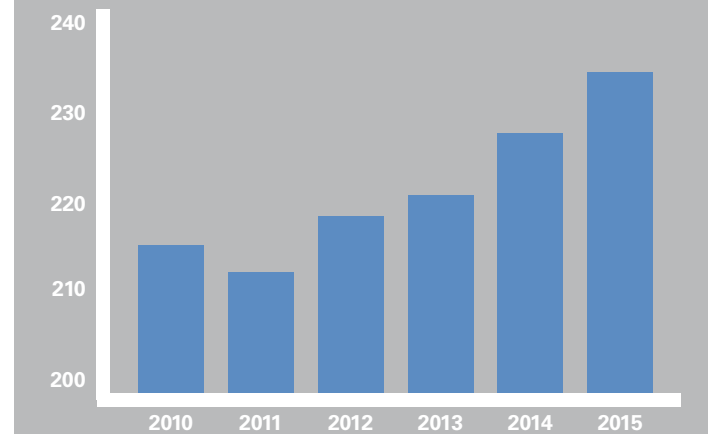


### Consistent funding levels

There have been no marked changes in the funding profiles of the sector, with funding from customer deposits, in the form of shares, remaining the key funding source for the sector.

However, there does appear to be a slight increase in wholesale funding, recent figures released by the Bank of England show that building societies had outstanding FLS drawings at March 2015 of £16.4bn, up from £14.7bn at January 2014. This FLS scheme, which was originally planned to come to an end in 2015, has now been extended to 31 January 2018. Whilst tapering of the scheme has been announced to mitigate any potential funding shock, it will still need to be replaced eventually.

SHARES HELD BY INDIVIDUALS (£BN)







### Strengthened capital levels

As with funding sources, there has also been no significant change in the capital levels of the sector, with the majority of Societies continuing to rely on retained earnings as their primary source of regulatory capital. Buoyed by increased profitability and strong results, gross and free capital ratios continued to improve across the sector, with 35 of 44 societies reporting improved results in one, or both, of the ratios.

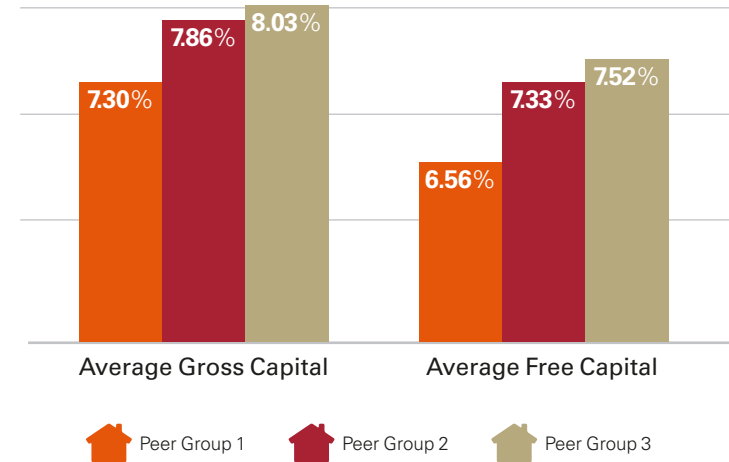
In last season's report we discussed the issuance by Nationwide of their Core Capital Deferred Shares (CCDS) as a new form of regulatory capital. Although a number of societies moved to amend their rules to allow for the issuance of these if desired we are yet to see a significant move in the sector to these as a core source of funding.

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## Market outlook

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2014 has been another strong year of performance for the sector, both in terms of profitability and asset growth which has increased by over 6% in our first Database report since the implementation of MMR, outstripping the growth reported in 2013.

Government and regulatory authorities remain committed to encouraging competition in the financial sector to drive better outcomes for consumers, pushing for restraint in the level of risks that lenders accept in pursuit of their business plans and better engagement with members; ideals which are at the heart of the Building Societies sector. Societies' balance sheets remain strong and they are in a good position to continue to benefit from the current relatively benign economic conditions.

In the first half of 2015 Societies (and it should be said the challenger banks) appear to have stolen a march on the high street banks, gaining mortgage market share by being more flexible and adapting their post-MMR lending criteria to meet the needs of specific areas of the market; a good example of using changes in regulatory requirements as an opportunity and business enabler.

As ever, Societies face strong challenges though in the competitive mortgage and savings markets and this is certainly true as alternative sources of finance including challenger banks, new mortgage lenders and commercial investment all threaten societies' market position.

### Interest rates

As borrowers, particularly those recently on the housing ladder, have become accustomed to historic low interest rates, there is apprehension about how far and how quickly rates may rise and the knock-on effect on monthly mortgage payments.

Societies too will be mindful of the impact of impending base rate changes and the closure of the FLS scheme in 2018, after which there is likely to be pressure on interest margins as the subsidised funding stream must be replaced with wholesale funding or retail deposits.

The increase in the proportion of borrowing on fixed rate deals seen over recent years means the impact on monthly payments of rate rises is likely to be staggered though Mark Carney noted recently that: "Over a half of UK mortgagors would pay higher rates in a year's time, and close to three-quarters of mortgagors in two years' time, were interest rates to evolve according to current market rate expectations.

That is in stark contrast to the US, where even over a two-year period, less than 10 per cent of mortgages would be affected directly by a change in rates." Keen focus on collections and arrears management processes will be the order of the day once rates do rise.



### Lending and arrears

Predicted arrears levels in the short-term at least are expected to improve further, with the CML recently revising downwards their predicted arrears and possessions forecasts. Whilst the fall in arrears and repossessions is undoubtedly good news all round, the fact that outstanding mortgage balances as a multiple of household income have again crept up over 3 times, (CML data) despite tighter affordability criteria, should ring a cautionary bell at least when viewed alongside the historic low mortgage interest rates enjoyed by borrowers (currently around 8% of the median income of home movers and new mortgages, compared to an average of nearly 14% in the decade leading up to the last change in interest rates) and the backdrop of slowing global output.

In 2015 to date leading mortgage providers have reported continued growth of 5-10% in house prices and forecasts remain fairly bullish. A leading property consultancy has predicted over 18% cumulative growth in house prices through to 2019, with growth tempered by expected rises in interest rates and the possibility of further economic slow-down. While the sector's results suggest that tighter mortgage regulations and rising capital and liquidity requirements have not put the brakes on regulated lending, with house prices continuing to run ahead of real wage growth, these factors combined suggest the affordability hurdle will be the biggest barrier to further house price growth.

### Affordable housing

According to Government data, seasonally adjusted house completions in the UK in Q1 2015 showed a promising increase of 10% on the previous quarter and 21% increase on Q1 2014 but at just over 34,000 for the quarter, the level of completions expected over the year is still some way short of the 200,000 plus new homes promised in election manifestos and housing need continues to outstrip supply. Whether the apparent shortage in affordable homes is down to a shortage in overall capacity or simply a shortage of the right type (tenure) in the right places, is an ongoing debate. In the context of continuing growth in house prices and the prospect of increasing mortgage rates, the provision of affordable homes remains a central challenge for government.

Housing demand is being driven upwards by an ageing population and social trends. In this year's election, whilst all political parties made promises to increase the housing supply, there was less clarity on how that will be achieved.

The IPPR has advocated refocusing government spend away from housing benefit and towards house building – 'turning benefits into bricks' – in the form of an 'Affordable Housing Fund' whereby Local authorities should be given powers and money to meet local needs, making the £9 billion paid out annually in housing benefits to private landlords work harder to improve the security and quality of rented homes and set policy to encourage faster paced development of sites where planning permission has been granted. Government is providing funds through the Build to Rent Fund and there appears to be real commercial impetus too, with leading property consultants predicting £30bn of commercial investment over the next five years to fund commercial purpose built developments which draw on the North American multi-family concept.



Building societies can play their part in helping finance this activity though this may require a shift in focus from Societies who have over recent times reduced their exposure to commercial loans and those fully secured on land.

With the right to buy scheme being extended in England housing association tenants will be granted the same right to buy as council tenants and benefit from significant discounts on the market value of the properties they live in. The scheme will be funded (i.e. compensating the housing associations) through the sale of new builds by local authorities built using the proceeds of further council house sales, thereby helping to address the shortfall in housing stock and increase home ownership. Again, societies have the opportunity to benefit from this potential stimulus to the market.

### **Savings market**

On the savings side, the Regulator is determined to make the savings market work more effectively, driving better outcomes by giving consumers greater choice and the ability to change providers more easily, to take advantage of better rates or service features which meet their needs. The market can expect more prescription around what information is given to consumers and when, and around savings providers' role in helping consumers switch products and providers.

The new 'Help to Buy ISA' presents an opportunity for Societies to replace one Government subsidised funding stream with another. The scheme launches on 1 December 2015 and offers first-time buyers the opportunity to top up their savings

with a contribution from the Government of up to £3,000 per borrower, effectively allowing those qualifying to save for their first home from pre-tax earnings.

### **Innovation**

Challenges and opportunity present themselves not just in payment technologies, driven in part by the updated Payment Services Directive and its 'Access to Accounts' provisions, but also in how providers interact with their customers and the back end processing of mortgages. The challenge is how to integrate the more attractive, easy to use customer interfaces that we are demanding more and more, with the older engines that drive the mortgage and savings processes in head offices, and how to realise tangible benefits from more flexible systems and processes with regulatory compliance built in.

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# Peer Group 1

**Table 1: Total Assets, Shares, Members and Branches**

Asset Ranking	Society	IFRS Year End	Group Total Assets	Group Asset Growth	Rank	Society Total Assets	Society Asset Growth	Rank	Society Shares	Society Shares Growth	Number of Society Shareholders	Average Balance per Shareholder	Funding Limit	Liquid Assets Ratio	Number of Society Branches	Total Society Assets per Branch	Society Shareholders per Branch	Society Borrowers per Branch
			£'000	%		£'000	%		£'000	%	£	%	%	£'000				
1	Nationwide	I Apr 2015	195,580,000	2.98%	9	194,821,000	3.14%	10	132,373,000	1.46%	11,000,000	12,034	21.11%	10.60%	700	278,316	15,714	2,714
2	Yorkshire	I Dec 2014	37,572,000	9.05%	4	41,779,000	19.87%	1	27,347,000	3.53%	3,000,000	9,116	21.60%	13.80%	231	180,861	12,987	1,299
3	Coventry	I Dec 2014	31,278,300	10.71%	2	30,889,900	10.94%	3	23,395,600	9.78%	1,339,992	17,460	19.40%	13.60%	70	441,284	19,143	5,305
4	Skipton	I Dec 2014	15,981,700	10.32%	3	15,335,700	9.12%	4	11,467,500	11.77%	653,391	17,390	14.15%	18.36%	99	154,906	6,600	1,440
5	Leeds	I Dec 2014	12,131,200	8.37%	5	12,220,400	8.81%	5	9,181,600	6.49%	380,080	24,125	18.00%	14.20%	67	182,394	5,673	1,436
6	Principality	I Dec 2014	7,265,000	2.93%	10	7,108,000	2.52%	11	5,600,500	0.81%	461,803	12,118	15.20%	15.70%	53	134,113	8,713	979
7	West Bromwich	I Mar 2015	5,600,400	(0.89%)	13	5,569,900	(1.07%)	13	3,988,000	(5.85%)	414,000	9,633	12.10%	15.92%	37	150,538	11,189	1,459
8	Newcastle	I Dec 2014	3,736,200	(1.35%)	14	3,740,800	(1.41%)	14	2,973,700	(8.08%)	376,639	7,895	8.59%	23.61%	31	120,671	12,150	949
9	Nottingham	I Dec 2014	3,265,800	8.29%	6	3,266,900	8.31%	6	2,575,400	11.04%	164,468	15,659	15.07%	16.84%	35	93,340	4,699	1,003
10	Cumberland	Mar 2015	1,903,670	12.45%	1	1,902,618	12.37%	2	1,521,694	6.17%	149,144	10,203	13.54%	16.90%	8	237,827	18,643	2,234
11	Progressive*	Dec 2014	1,688,132	4.21%	8	1,688,132	4.21%	8	1,517,249	6.78%	82,404	17,293	10.53%	19.99%	12	140,678	6,867	1,183
12	National Counties	Dec 2014	1,303,511	1.93%	11	1,301,890	3.23%	9	939,551	6.89%	40,344	23,288	20.11%	23.27%	1	1,301,890	40,344	10,812
13	Saffron	Dec 2014	1,170,524	(1.43%)	15	1,168,792	(1.45%)	15	952,228	3.97%	102,360	9,303	14.20%	22.90%	12	97,399	8,530	611
14	Cambridge	Dec 2014	1,150,043	(0.43%)	12	1,154,446	(0.42%)	12	1,015,246	3.78%	125,166	8,016	6.22%	15.76%	18	64,136	6,954	710
15	Monmouthshire	Apr 2015	1,044,094	6.98%	7	1,043,845	7.00%	7	820,556	7.54%	55,296	13,853	17.05%	23.92%	11	94,895	5,027	698
			<b>Total Peer Group</b>			<b>Total Peer Group</b>												
			320,670,574			322,991,323												
<b>Average of Peer Group Societies</b>				<b>4.95%</b>		<b>5.67%</b>			<b>4.40%</b>		<b>13,826</b>	<b>15.13%</b>	<b>17.69%</b>		<b>244,884</b>	<b>12,216</b>	<b>2,189</b>	

\* Denotes no Group: therefore Society total assets included as Group

# Peer Group 1

**Table 2: Group/Society Profitability Ratios**

Asset Ranking	Society	IFRS Year End	Exceptional Items in addition to FSCS levy Current Year	Group Profit for Year	Profit Change	Group/Society Profit for Year/Mean Assets	Group Net Interest Margin/ Mean Assets	Group Cost/Income Ratio	Group ManEx/ Mean Assets	Rank	Group ManEx – Other Income/ Mean Assets	Mortgage Loss Provisions		Recurring Profit Including Mortgage Loss Provisions Current Year	Recurring Profit Including Mortgage Loss Provisions Prior Year	Change	FSCS levy Charge/ (Credit)	FSCS levy Provision
												Charge/(Credit) for Year	Charge/(Credit) for Year/Profit Pre-Provision					
1	Nationwide	I Apr 2015	X	839,000	52.82%	0.44%	1.48%	54.28%	0.89%	7	0.74%	233,000	16.21%	1,204,000	853,000	41.15%	83,000	142,000
2	Yorkshire	I Dec 2014	–	147,400	(0.47%)	0.41%	1.53%	58.70%	0.92%	9	0.88%	20,000	8.54%	214,200	220,600	(2.90%)	12,400	16,200
3	Coventry	I Dec 2014	–	158,500	56.47%	0.53%	1.15%	35.72%	0.42%	1	0.39%	5,400	2.43%	217,100	148,400	46.29%	15,300	7,800
4	Skipton	I Dec 2014	X <sup>(a)</sup>	146,700	90.03%	0.76%	1.40%	70.65%	2.80%	15	0.24%	13,300	6.97%	177,600	122,900	44.51%	7,800	4,300
5	Leeds	I Dec 2014	–	69,400	41.63%	0.60%	1.58%	33.37%	0.57%	2	0.45%	39,500	29.88%	92,700	73,100	26.81%	6,400	3,100
6	Principality	I Dec 2014	X <sup>(a)</sup>	52,300	137.73%	0.72%	1.87%	46.08%	0.90%	8	0.81%	13,500	17.83%	62,200	40,700	52.83%	8,700	2,200
7	West Bromwich	I Mar 2015	X	9,200	820.00%	0.16%	1.15%	81.56%	0.82%	5	0.97%	200	1.90%	10,300	3,300	212.12%	3,600	1,800
8	Newcastle	I Dec 2014	–	2,900	107.14%	0.08%	0.67%	73.84%	0.93%	10	0.34%	5,900	47.58%	6,500	3,900	66.67%	2,500	1,300
9	Nottingham	I Dec 2014	–	13,900	36.27%	0.43%	1.56%	62.33%	1.17%	14	0.85%	1,300	5.83%	21,000	15,000	40.00%	1,800	1,200
10	Cumberland	Mar 2015	–	10,218	33.45%	0.57%	1.49%	60.48%	1.12%	12	0.76%	218	1.66%	12,907	11,428	12.94%	873	1,471
11	Progressive*	Dec 2014	–	9,851	143.35%	0.60%	1.74%	35.62%	0.63%	3	0.59%	5,414	28.60%	13,515	7,400	82.64%	893	520
12	National Counties	Dec 2014	X	4,218	313.94%	0.33%	1.27%	76.80%	1.05%	11	0.95%	428	10.46%	3,663	1,593	129.94%	687	354
13	Saffron	Dec 2014	–	2,951	27.20%	0.25%	1.52%	70.82%	0.84%	6	1.03%	1,232	21.34%	4,542	3,750	21.12%	761	414
14	Cambridge	Dec 2014	–	3,680	85.95%	0.32%	1.52%	70.68%	1.14%	13	1.05%	(204)	(3.76%)	5,631	3,286	71.36%	691	418
15	Monmouthshire	Apr 2015	–	5,124	28.07%	0.51%	1.38%	49.36%	0.67%	4	0.68%	525	7.51%	6,467	5,618	15.11%	500	871

Average of Peer Group Societies      84.52%      0.44%      1.42%      58.68%      0.99%      0.72%

\* Denotes no Group: therefore Society profitability measures included as Group

(a) Principality and Skipton Building Societies have separately disclosed Profit from Discontinued Operations which have been included within exceptional items

# Peer Group 1

**Table 3: Group/Society Reserves and Capital**

Asset Ranking	Society	IFRS Year End	General Reserves	IFRS Reserves	Revaluation Reserve	Other Reserves/ Minority Interests	Total Reserves	Total Reserves/ Total Assets	Rank	Total Reserves Change on Prior Year	Prior Year Total Reserves		Other Capital	Subordinated Debt	Gross Capital	Free Capital
			£'000	£'000	£'000	£'000	£'000	%		%	£'000	£'000	£'000	£'000	%	%
1	Nationwide	I Apr 2015	7,995,000	155,000	68,000	0	8,218,000	4.20%	14	11.31%	7,383,000	3.89%	415,000	2,121,000	6.90%	6.00%
2	Yorkshire	I Dec 2014	1,993,600	(33,300)	0	0	1,960,300	5.22%	8	8.34%	1,809,400	5.25%	6,200	298,300	6.52%	6.05%
3	Coventry	I Dec 2014	1,061,900	32,100	0	396,900	1,490,900	4.77%	11	66.58%	895,000	3.17%	161,600	58,200	5.90%	5.78%
4	Skipton	I Dec 2014	1,046,200	21,100	0	5,300	1,072,600	6.71%	3	15.09%	932,000	6.43%	94,300	98,000	8.95%	7.38%
5	Leeds	I Dec 2014	674,700	3,900	12,400	14,300	705,300	5.81%	4	11.12%	634,700	5.67%	25,000	900	6.52%	6.36%
6	Principality	I Dec 2014	408,700	2,600	0	0	411,300	5.66%	5	15.96%	354,700	5.03%	59,500	92,300	8.70%	9.00%
7	West Bromwich	I Mar 2015	233,100	3,400	3,400	0	239,900	4.28%	13	(1.24%)	242,900	4.30%	74,900	0	10.85%	7.78%
8	Newcastle	I Dec 2014	166,600	(400)	0	0	166,200	4.45%	12	(1.71%)	169,100	4.47%	29,900	59,500	7.86%	7.15%
9	Nottingham	I Dec 2014	176,700	400	0	0	177,100	5.42%	6	7.59%	164,600	5.46%	23,900	0	6.72%	6.06%
10	Cumberland	Mar 2015	129,790	-	731	0	133,121	6.99%	2	6.40%	125,116	7.39%	0	0	7.42%	6.90%
11	Progressive*	Dec 2014	89,273	-	(540)	0	88,733	5.26%	7	9.81%	80,808	4.99%	0	0	5.57%	5.18%
12	National Counties	Dec 2014	115,558	-	0	0	115,558	8.87%	1	2.63%	112,598	8.80%	0	0	9.83%	9.27%
13	Saffron	Dec 2014	46,324	-	779	0	47,103	4.02%	15	5.01%	44,854	3.78%	0	10,000	5.10%	4.10%
14	Cambridge	Dec 2014	58,111	-	0	0	58,111	5.05%	9	3.85%	55,959	4.85%	0	0	5.37%	4.83%
15	Monmouthshire	Apr 2015	51,066	-	0	0	51,066	4.89%	10	9.73%	46,537	4.77%	0	0	5.16%	4.47%

Average of Peer Group Societies

5.44%

7.16%

6.42%

\* Denotes no Group: therefore Society reserves and capital included as Group

# Peer Group 1

**Table 4: Society Profitability Ratios**

Asset Ranking	Society	IFRS Year End	Exceptional Items in addition to FSCS Levy Current Year	Society Profit for Year	Profit Change	Net Interest Margin/ Mean Assets	Interest Receivable/ Mean FSRP	Interest Payable/ Mean Shares	Interest Spread for Members	Other Income and Charges/ Total Income	Cost/ Income Ratio	Mortgage Loss Provisions		Total ManEx	ManEx/ Mean Assets	Rank	ManEx – Other Income/ Mean Assets
												Charge/(Credit) for Year	Charge/(Credit) for Year/Profit Pre-Provision				
			X	£'000	%	%	%	%	%	%	%	£'000	%	£'000	%		%
1	Nationwide	I Apr 2015	X	586,000	4.27%	1.31%	4.50%	1.23%	3.27%	8.22%	61.40%	159,000	15.06%	1,680,000	0.88%	10	0.76%
2	Yorkshire	I Dec 2014	X	93,300	(3.12%)	1.10%	4.25%	2.60%	1.65%	11.35%	69.50%	1,900	1.30%	330,700	0.86%	8	0.72%
3	Coventry	I Dec 2014	–	77,900	87.26%	0.81%	2.73%	1.76%	0.97%	1.21%	48.98%	6,100	5.06%	117,400	0.40%	1	0.39%
4	Skipton	I Dec 2014	X <sup>(a)</sup>	133,200	107.48%	1.20%	3.34%	1.55%	1.79%	30.73%	32.58%	7,500	4.39%	83,100	0.57%	3	0.03%
5	Leeds	I Dec 2014	–	67,400	19.29%	1.57%	3.85%	1.80%	2.05%	7.71%	32.83%	43,900	32.71%	65,600	0.56%	2	0.43%
6	Principality	I Dec 2014	X <sup>(a)</sup>	42,400	360.87%	1.42%	3.67%	1.82%	1.85%	9.02%	49.36%	11,300	20.32%	54,200	0.77%	7	0.63%
7	West Bromwich	I Mar 2015	–	14,300	230.00%	1.04%	2.09%	1.34%	0.75%	1.86%	70.56%	(1,500)	(8.57%)	41,700	0.74%	6	0.72%
8	Newcastle	I Dec 2014	–	1,400	n/a	0.67%	3.04%	1.65%	1.39%	43.21%	74.43%	5,900	52.21%	32,900	0.87%	9	0.37%
9	Nottingham	I Dec 2014	–	14,000	30.84%	1.56%	3.08%	1.84%	1.24%	5.05%	56.50%	1,300	5.80%	29,100	0.93%	11	0.84%
10	Cumberland	Mar 2015	–	9,652	23.92%	1.46%	3.28%	1.57%	1.71%	14.87%	57.07%	218	1.64%	17,629	0.98%	12	0.73%
11	Progressive	Dec 2014	–	9,851	143.35%	1.74%	4.02%	1.80%	2.22%	2.31%	35.62%	5,414	28.60%	10,475	0.63%	4	0.59%
12	National Counties	Dec 2014	X	1,795	75.98%	1.20%	3.24%	2.08%	1.16%	8.65%	74.96%	535	12.73%	12,585	0.98%	13	0.87%
13	Saffron	Dec 2014	–	2,861	39.97%	1.46%	3.73%	1.61%	2.12%	11.57%	71.89%	1,152	21.06%	13,985	1.19%	15	1.00%
14	Cambridge	Dec 2014	–	3,627	88.51%	1.51%	3.61%	1.78%	1.83%	6.93%	71.08%	(204)	(3.81%)	13,158	1.14%	14	1.05%
15	Monmouthshire	Apr 2015	–	5,175	28.51%	1.38%	3.85%	2.05%	1.80%	0.04%	47.07%	525	7.14%	6,542	0.65%	5	0.65%

Average of Peer Group Societies					88.67%	1.30%	3.49%	1.77%	1.72%	10.35%	56.93%		13.04%		0.81%		0.65%
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(a) Principality and Skipton Building Societies have separately disclosed Profit from Discontinued Operations which have been included within exceptional items



# Peer Group 1

**Table 5: Society Staff Ratios, Pension Costs & Pension Disclosures**

Asset Ranking	Society	IFRS	Year End	Society staff costs				Society pension costs			Defined Benefit Scheme?	Group Defined Benefit Pension Scheme					
				Total Number of Staff	Total Staff Costs	Staff Costs per Staff Member	Profit for Year per Staff Member	Total Assets per Staff Member	Total Wages and Salaries (TW&S)	Other Pension Costs		Pension Costs/ (TW&S)	Scheme (Deficit)/Surplus		Key Assumptions		
					£'000	£'000/staff	£'000/staff	£'000/staff	£'000	£'000		%	Gross	% of Gen Reserves	Salary Increase	Discount Rate	Inflation Rate
1	Nationwide	I	Apr 2015	17,548	662,000	37.73	33.39	11,102	521,000	87,000	16.70%	Yes - Closed	286,000	(3.58%)	2.95%	3.40%	2.95%
2	Yorkshire	I	Dec 2014	4,047	155,100	38.32	23.05	10,323	131,100	11,500	8.77%	Yes - Open	64,400	(3.23%)	4.30%	3.70%	3.30%
3	Coventry	I	Dec 2014	1,784	67,200	37.68	43.68	17,320	57,800	3,800	6.57%	Yes - Closed	1,600	(0.15%)	2.00%	3.60%	3.00%
4	Skipton	I	Dec 2014	1,522	51,600	33.90	87.52	10,076	44,700	2,800	6.26%	Yes - Closed	(73,000)	6.98%	0.00%	3.55%	3.10%
5	Leeds	I	Dec 2014	1,104	38,300	34.69	61.05	11,069	31,400	4,000	12.74%	Yes - Closed	1,300	(0.19%)	4.80%	3.60%	3.05%
6	Principality	I	Dec 2014	870	23,500	27.01	48.74	8,170	28,900	(8,400)	(29.07%)	Yes - Closed	(6,900)	1.69%	2.05%	3.55%	3.05%
7	West Bromwich	I	Mar 2015	716	24,900	34.78	19.97	7,779	21,700	1,300	5.99%	Yes - Closed	7,500	(3.22%)	0.00%	3.50%	2.80%
8	Newcastle	I	Dec 2014	719	19,400	27.00	1.95	5,206	18,000	(200)	(1.11%)	Yes - Closed	(3,700)	2.22%	2.90%	3.60%	3.00%
9	Nottingham	I	Dec 2014	366	14,000	38.25	38.25	8,926	12,200	800	6.56%	Yes - Closed	(6,600)	3.74%	3.00%	3.40%	3.00%
10	Cumberland		Mar 2015	433	10,108	23.34	22.29	4,394	8,321	1,148	13.80%	Yes - Closed	(9,180)	7.07%	2.70%	3.30%	3.20%
11	Progressive		Dec 2014	126	5,106	40.52	78.18	13,398	4,121	626	15.19%	Yes - Closed	(3,886)	4.35%	3.38%	3.60%	3.00%
12	National Counties		Dec 2014	129	7,002	54.28	13.91	10,092	5,826	579	9.94%	Yes - Closed	(2,787)	2.41%	2.50%	3.60%	3.10%
13	Saffron		Dec 2014	169	6,734	39.85	16.93	6,916	5,837	395	6.77%	Yes - Closed	458	(0.99%)	2.10%	3.60%	3.10%
14	Cambridge		Dec 2014	190	6,498	34.20	19.09	6,076	5,473	480	8.77%	Yes - Closed	(4,483)	7.71%	3.00%	3.75%	3.10%
15	Monmouthshire		Apr 2015	138	3,780	27.39	37.5	7,564	3,161	306	9.68%	Yes - Closed	(580)	1.14%	3.00%	3.70%	3.00%

Average of Peer Group Societies				35.47	35.48	9,300			6.51%				1.73%	2.53%	3.56%	3.04%
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# Peer Group 1

**Table 6: Loans and Advances (1): Group Lending and Provisions**

Asset Ranking	Society	IFRS Year End	Lending Limit	Group/Society Gross Mortgage Lending		No. Group/Society Arrears 12 mths and over	Group/Society Total Year End Mortgage Provisions	Group/Society												
				£'000	% to total P/Yr loans			Loans				FSRP Provisions				FSOL Provisions				
								FSRP Loans	Increase	FSOL Loans	Increase	Other Loans	Increase	Charge/ (Credit)	Year End Provision	Charge/ (Credit) to FSRP Loans	Provision to FSRP Loans	Charge/ (Credit) to FSOL Loans	Provision to FSOL Loans	
£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	
1	Nationwide	I Apr 2015	7.93%	27,100,000	15.90%	1,760	652,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Yorkshire	I Dec 2014	2.40%	7,600,000	25.73%	395	46,300	31,744,600	8.89%	399,100	6.85%	2,000	(74.68%)	21,500	44,700	0.12%	0.25%	(0.33%)	0.40%	
3	Coventry	I Dec 2014	1.60%	7,400,000	30.68%	235	26,100	26,908,500	11.87%	5,500	(24.66%)	44,000	(19.41%)	1,800	20,900	0.01%	0.08%	0.00%	0.00%	
4	Skipton	I Dec 2014	7.53%	2,980,800	26.24%	272	58,900	12,153,300	11.93%	370,900	(7.34%)	108,800	9.90%	10,000	46,800	0.08%	0.38%	0.81%	2.93%	
5	Leeds	I Dec 2014	7.60%	2,700,000	29.50%	341	52,100	9,777,400	13.60%	243,800	(24.64%)	239,800	8.36%	5,900	29,600	0.06%	0.30%	11.57%	9.30%	
6	Principality	I Dec 2014	7.10%	1,000,000	17.00%	0	62,700	5,720,400	5.76%	370,600	(17.00%)	48,900	(0.41%)	n/a	n/a	n/a	n/a	n/a	n/a	
7	West Bromwich	I Mar 2015	17.10%	446,000	9.50%	82	69,700	3,897,100	1.68%	758,100	(10.58%)	100	0.00%	1,300	24,500	0.03%	0.63%	(0.15%)	5.96%	
8	Newcastle	I Dec 2014	9.41%	350,000	12.96%	n/a	23,800	2,447,300	1.28%	193,500	(26.12%)	19,300	(13.84%)	(1,800)	1,400	(0.07%)	0.06%	3.57%	10.25%	
9	Nottingham	I Dec 2014	5.27%	706,000	28.55%	9	4,800	2,634,200	9.93%	72,100	(6.36%)	0	n/a	(400)	900	(0.02%)	0.03%	2.24%	5.13%	
10	Cumberland	Mar 2015	10.52%	375,860	26.85%	5	4,552	1,428,310	14.46%	150,625	0.21%	9,812	481.28%	109	1,751	0.01%	0.12%	0.14%	1.84%	
11	Progressive*	Dec 2014	0.50%	153,000	11.65%	60	16,982	1,354,736	3.60%	5,892	(1.24%)	0	n/a	5,511	16,859	0.40%	1.23%	0.00%	2.04%	
12	National Counties	Dec 2014	3.67%	n/a	n/a	9	4,351	987,811	5.27%	23,602	(29.62%)	2,119	(70.26%)	155	1,694	0.02%	0.17%	0.94%	6.30%	
13	Saffron	Dec 2014	0.60%	240,000	28.44%	0	4,038	896,453	6.92%	3,474	(35.09%)	0	n/a	1,232	4,038	0.14%	0.45%	0.00%	0.00%	
14	Cambridge	Dec 2014	2.37%	174,300	18.20%	3	1,313	950,759	1.68%	20,987	(6.49%)	0	n/a	354	870	0.04%	0.09%	(0.70%)	2.07%	
15	Monmouthshire	Apr 2015	4.19%	181,400	24.74%	5	1,495	764,937	10.34%	33,569	(15.54%)	0	n/a	354	931	0.05%	0.12%	0.63%	1.71%	
Average of Peer Group Societies			5.35%		21.47%				7.64%		(14.11%)			35.66%		0.07%	0.30%	1.44%	3.69%	

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 1

**Table 7: Loans and Advances (2): Society Lending and Provisions**

Asset Ranking	Society	IFRS Year End	Lending Limit (Group)	Number of Society Borrowers	Total Year End Mortgage Provisions	Society											
						Loans						FSRP Provisions				FSOL Provisions	
						FSRP Loans	Increase	FSOL Loans	Increase	Other Loans	Increase	Charge/ (Credit)	Year End Provision	Charge (Credit) to FSRP Loans	Provision to FSRP Loans	Charge (Credit) to FSOL Loans	Provision to FSOL Loans
£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	%	%	%		
1	Nationwide	I Apr 2015	7.93%	1,900,000	563,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Yorkshire	I Dec 2014	2.40%	300,000	7,000	17,940,500	2.24%	399,100	6.85%	2,000	(74.68%)	n/a	n/a	n/a	n/a	n/a	n/a
3	Coventry	I Dec 2014	1.60%	371,352	14,600	17,984,600	11.32%	1,100	(15.38%)	30,300	(20.89%)	1,900	10,500	0.01%	0.06%	0.00%	0.00%
4	Skipton	I Dec 2014	7.53%	142,605	37,100	10,007,600	15.74%	370,900	(7.34%)	300	(40.00%)	4,500	25,700	0.04%	0.26%	0.81%	2.93%
5	Leeds	I Dec 2014	7.60%	96,196	52,100	9,777,400	13.60%	243,800	(24.64%)	239,800	8.36%	5,900	29,600	0.06%	0.30%	11.57%	9.30%
6	Principality	I Dec 2014	7.10%	51,861	37,200	5,240,800	7.13%	370,600	(17.00%)	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7	West Bromwich	I Mar 2015	17.10%	54,000	13,000	1,954,400	13.99%	13,800	(25.41%)	0	n/a	(1,500)	13,000	(0.08%)	0.67%	0.00%	0.00%
8	Newcastle	I Dec 2014	9.41%	29,421	23,800	2,436,400	1.39%	193,500	(26.12%)	19,300	(13.84%)	(1,800)	1,400	(0.07%)	0.06%	3.57%	10.25%
9	Nottingham	I Dec 2014	5.27%	35,103	4,800	2,634,200	9.93%	72,100	(6.36%)	0	n/a	(400)	900	(0.02%)	0.03%	2.24%	5.13%
10	Cumberland	Mar 2015	10.52%	17,869	4,552	1,428,310	14.46%	150,625	0.21%	1,484	(12.09%)	109	1,751	0.01%	0.12%	0.14%	1.84%
11	Progressive	Dec 2014	0.50%	14,201	16,982	1,354,736	3.60%	5,892	(1.24%)	0	n/a	5,511	16,859	0.40%	1.23%	0.00%	2.04%
12	National Counties	Dec 2014	3.67%	10,812	2,694	887,551	6.50%	23,602	(11.85%)	2,119	(39.82%)	217	1,475	0.02%	0.17%	0.97%	3.63%
13	Saffron	Dec 2014	0.60%	7,335	3,427	851,709	7.66%	3,474	(35.09%)	0	n/a	1,152	3,427	0.13%	0.40%	0.00%	0.00%
14	Cambridge	Dec 2014	2.37%	12,783	1,313	950,759	1.68%	20,987	(6.49%)	0	n/a	354	870	0.04%	0.09%	(0.70%)	2.07%
15	Monmouthshire	Apr 2015	4.19%	7,679	1,495	764,937	10.34%	33,569	(15.54%)	0	n/a	354	931	0.05%	0.12%	0.63%	1.71%
Average of Peer Group Societies			5.85%				8.55%		(13.25%)		(27.57%)			0.05%	0.29%	1.61%	3.22%

# Peer Group 1

**Table 8: Loans and Advances (3): FSRP Provisions**

Asset Ranking	Society	IFRS	Year End	Group: Loans Fully Secured on Residential Property (FSRP)						Society: Loans Fully Secured on Residential Property (FSRP)							
				General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSRP	Rank	Specific Provision/Total FSRP	Rank	General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSRP	Rank	Specific Provision/Total FSRP	Rank
				£'000	£'000	%	%		%		£'000	£'000	%	%		%	
1	Nationwide	I	Apr 2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2	Yorkshire	I	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
3	Coventry	I	Dec 2014	9,200	11,700	78.63%	0.03%	4	0.04%	4	3,900	6,600	59.09%	0.02%	3	0.04%	4
4	Skipton	I	Dec 2014	26,900	19,900	135.18%	0.22%	10	0.16%	8	20,000	5,700	350.88%	0.20%	10	0.06%	6
5	Leeds	I	Dec 2014	9,800	19,800	49.49%	0.10%	7	0.20%	10	9,800	19,800	49.49%	0.10%	7	0.20%	10
6	Principality	I	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7	West Bromwich	I	Mar 2015	8,700	15,800	55.06%	0.22%	11	0.41%	11	4,300	8,700	49.43%	0.22%	12	0.45%	11
8	Newcastle	I	Dec 2014	500	900	55.56%	0.02%	1	0.04%	5	500	900	55.56%	0.02%	2	0.04%	5
9	Nottingham	I	Dec 2014	600	300	200.00%	0.02%	3	0.01%	2	600	300	200.00%	0.02%	1	0.01%	1
10	Cumberland		Mar 2015	1,679	72	2,331.94%	0.12%	8	0.01%	1	1,679	72	2,331.94%	0.12%	8	0.01%	2
11	Progressive*		Dec 2014	1,820	15,039	12.10%	0.13%	9	1.10%	12	1,820	15,039	12.10%	0.13%	9	1.10%	12
12	National Counties		Dec 2014	385	1,309	29.41%	0.04%	5	0.13%	7	359	1,116	32.17%	0.04%	5	0.13%	8
13	Saffron		Dec 2014	2,355	1,683	139.93%	0.26%	12	0.19%	9	1,759	1,668	105.46%	0.21%	11	0.20%	9
14	Cambridge		Dec 2014	216	654	33.03%	0.02%	2	0.07%	6	216	654	33.03%	0.02%	4	0.07%	7
15	Monmouthshire		Apr 2015	756	175	432.00%	0.10%	6	0.02%	3	756	175	432.00%	0.10%	6	0.02%	3
				Total 62,911	Total 87,332	Peer Group Ratio 72.04%				Total 45,689	Total 60,724	Peer Group Ratio 75.24%					
Average of Peer Group Societies							0.11%			0.20%				0.10%			0.19%

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 1

**Table 9: Loans and Advances (4): FSOL Provisions**

Asset Ranking	Society	IFRS	Year End	Group: Loans Fully Secured on Land (FSOL)						Society: Loans Fully Secured on Land (FSOL)							
				General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSOL	Rank	Specific Provision/Total FSOL	Rank	General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSOL	Rank	Specific Provision/Total FSOL	Rank
				£'000	£'000	%	%		%		£'000	£'000	%	%		%	
1	Nationwide	I	Apr 2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2	Yorkshire	I	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
3	Coventry	I	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
4	Skipton	I	Dec 2014	4,600	6,600	69.70%	1.20%	6	1.73%	6	4,600	6,600	69.70%	1.20%	6	1.73%	7
5	Leeds	I	Dec 2014	6,500	18,500	35.14%	2.42%	11	6.88%	10	6,500	18,500	35.14%	2.42%	11	6.88%	10
6	Principality	I	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7	West Bromwich	I	Mar 2015	7,900	37,300	21.18%	1.04%	5	4.92%	8	0	0	n/a	0.00%	2	0.00%	3
8	Newcastle	I	Dec 2014	3,600	18,500	19.46%	1.67%	10	8.58%	11	3,600	18,500	19.46%	1.67%	10	8.58%	11
9	Nottingham	I	Dec 2014	1,100	2,800	39.29%	1.45%	8	3.68%	7	1,100	2,800	34.29%	1.45%	8	3.68%	9
10	Cumberland		Mar 2015	(978)	(1,748)	55.95%	(0.66%)	1	(1.18%)	1	(978)	(1,748)	55.95%	(0.66%)	1	(1.18%)	1
11	Progressive*		Dec 2014	33	90	36.67%	0.55%	4	1.50%	5	33	90	36.67%	0.55%	5	1.50%	6
12	National Counties		Dec 2014	23	1,564	1.47%	0.09%	3	6.21%	9	23	866	2.66%	0.09%	4	3.54%	8
13	Saffron		Dec 2014	0	0	n/a	0.00%	2	0.00%	2	0	0	n/a	0.00%	2	0.00%	3
14	Cambridge		Dec 2014	346	97	356.70%	1.61%	9	0.45%	4	346	97	356.70%	1.61%	9	0.45%	5
15	Monmouthshire		Apr 2015	444	120	370.00%	1.32%	7	0.36%	3	444	120	370.00%	1.35%	7	(0.36%)	2
				Total	Total	Peer Group Ratio				Total	Total	Peer Group Ratio					
				15,668	46,523	33.68%				15,668	45,825	34.19%					
Average of Peer Group Societies							0.89%	2.76%					0.77%	2.07%			

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 2

**Table 1: Total Assets, Shares, Members and Branches**

Asset Ranking	Society	IFRS Year End	Group Total Assets	Group Asset Growth	Rank	Society Total Assets	Society Asset Growth	Rank	Society Shares	Society Shares Growth	Number of Society Shareholders	Average Balance per Shareholder	Funding Limit	Liquid Assets Ratio	Number of Society Branches	Total Society Assets per Branch	Society Shareholders per Branch	Society Borrowers per Branch
			£'000	%		£'000	%		£'000	%		£	%	%		£'000		
16	Leek United	Dec 2014	905,250	6.08%	3	905,001	6.08%	3	820,492	6.49%	75,577	10,856	2.88%	26.82%	12	75,417	6,298	574
17	Furness	Dec 2014	877,301	3.67%	7	875,716	3.67%	7	704,578	4.42%	93,177	7,559	12.44%	23.28%	11	79,611	8,471	742
18	Newbury	Oct 2014	820,756	5.04%	5	818,982	5.04%	5	657,003	4.64%	49,955	13,150	14.50%	19.91%	11	74,453	4,541	470
19	Ipswich*	Nov 2014	601,238	(0.02%)	12	601,238	(0.02%)	12	472,625	(1.76%)	59,768	7,907	16.00%	21.72%	9	66,804	6,641	770
20	Hinckley & Rugby*	Nov 2014	549,345	(1.27%)	13	549,345	(1.27%)	13	450,061	1.02%	45,000	9,998	11.40%	18.20%	10	54,935	4,500	600
21	Darlington	Dec 2014	529,759	1.91%	9	531,959	1.73%	9	448,761	1.51%	63,241	7,096	8.01%	22.06%	10	53,196	6,324	566
22	Manchester	Dec 2014	508,747	(21.30%)	15	507,939	(21.69%)	15	389,475	(22.51%)	24,243	16,065	14.95%	22.90%	1	507,939	24,243	3,915
23	Market Harborough	Dec 2014	419,344	4.14%	6	419,137	4.24%	6	344,712	8.38%	45,864	7,516	10.81%	21.22%	6	69,856	7,644	638
24	Melton Mowbray	Dec 2014	388,474	0.18%	10	388,028	0.02%	11	310,624	3.39%	46,265	6,622	13.48%	21.03%	3	129,343	15,422	1,626
25	Marsden*	Dec 2014	382,419	6.76%	2	382,419	6.76%	2	309,889	7.98%	41,116	7,529	10.66%	24.75%	6	63,737	6,853	672
26	Scottish	Jan 2015	377,597	(4.94%)	14	376,535	(4.95%)	14	331,726	(7.88%)	28,394	11,660	4.27%	26.95%	6	62,756	4,732	1,039
27	Tipton & Coseley	Dec 2014	373,390	0.08%	11	373,381	0.08%	10	327,363	1.39%	31,934	10,250	3.37%	26.33%	4	93,345	7,984	1,406
28	Hanley Economic	Aug 2014	361,441	7.25%	1	359,030	7.25%	1	280,713	8.20%	18,484	15,187	15.14%	24.10%	6	59,838	3,081	426
29	Dudley*	Mar 2015	328,705	3.04%	8	328,705	3.04%	8	306,706	3.41%	26,062	11,768	0.25%	22.59%	6	54,784	4,344	809
30	Harpenden*	Dec 2014	301,343	5.78%	4	301,343	5.78%	4	267,496	10.47%	22,811	11,727	4.44%	38.50%	6	50,224	3,802	178
			Total Peer Group 7,725,109			Total Peer Group 7,725,758												
<b>Average of Peer Group Societies</b>				<b>1.09%</b>		<b>1.05%</b>			<b>1.94%</b>		<b>10,326</b>	<b>9.05%</b>	<b>24.03%</b>		<b>99,749</b>	<b>7,658</b>	<b>963</b>	

\* Denotes no Group: therefore Society total assets included as Group



# Peer Group 2

### Table 3: Group/Society Reserves and Capital

Asset Ranking	Society	IFRS Year End	General Reserves	IFRS Reserves	Revaluation Reserve	Other Reserves/ Minority Interests	Total Reserves	Total Reserves/ Total Assets	Rank	Total Reserves Change on Prior Year	Prior Year		Other Capital	Subordinated Debt	Gross Capital	Free Capital
			£'000	£'000	£'000	£'000	£'000	%		%	£'000	£'000	£'000	£'000	%	%
16	Leek United	Dec 2014	54,693	-	1,113	0	55,806	6.16%	11	2.02%	54,700	6.41%	0	0	6.61%	6.41%
17	Furness	Dec 2014	59,410	-	0	0	59,410	6.77%	10	2.04%	58,220	6.88%	0	4,986	8.01%	7.75%
18	Newbury	Oct 2014	48,247	-	1,425	0	49,672	6.05%	12	10.05%	45,135	5.78%	0	0	6.47%	5.82%
19	Ipswich*	Nov 2014	26,259	-	0	0	26,259	4.37%	14	10.01%	23,870	3.97%	0	7,967	6.05%	5.30%
20	Hinckley & Rugby*	Nov 2014	38,808	-	0	0	38,808	7.06%	7	1.17%	38,359	6.89%	0	0	7.60%	7.30%
21	Darlington	Dec 2014	39,412	-	0	0	39,412	7.44%	6	2.64%	38,397	7.39%	0	0	8.08%	7.71%
22	Manchester	Dec 2014	(141)	0	0	0	(141)	(0.03%)	15	96.52%	(4,053)	(0.63%)	32,249	15,700	10.40%	11.40%
23	Market Harborough	Dec 2014	29,311	-	0	0	29,311	6.99%	8	3.87%	28,218	7.01%	0	0	7.58%	6.76%
24	Melton Mowbray	Dec 2014	32,598	-	450	0	33,048	8.51%	3	3.22%	32,016	8.26%	0	0	9.33%	7.95%
25	Marsden*	Dec 2014	33,592	-	146	0	33,738	8.82%	1	3.01%	32,752	9.14%	0	0	9.74%	9.32%
26	Scottish	Jan 2015	30,196	-	0	0	30,196	8.00%	5	6.74%	28,289	7.12%	0	0	8.73%	8.18%
27	Tipton & Coseley	Dec 2014	32,546	-	(337)	0	32,209	8.63%	2	6.69%	30,188	8.09%	0	0	9.51%	9.37%
28	Hanley Economic	Aug 2014	29,459	-	0	0	29,459	8.15%	4	2.29%	28,799	8.55%	0	0	8.91%	7.98%
29	Dudley*	Mar 2015	18,970	-	0	0	18,970	5.77%	13	3.85%	18,266	5.73%	0	0	6.17%	5.19%
30	Harpenden*	Dec 2014	20,293	-	365	0	20,658	6.86%	9	7.56%	19,206	6.74%	0	0	7.38%	6.33%

Average of Peer Group Societies

6.64%

8.04%

7.52%

\* Denotes no Group: therefore Society reserves and capital included as Group



# Peer Group 2

**Table 4: Society Profitability Ratios**

Asset Ranking	Society	IFRS Year End	Exceptional Items in addition to FSCS Levy Current Year	Society Profit for Year	Profit Change	Net Interest Margin/ Mean Assets	Interest Receivable/ Mean FSRP	Interest Payable/ Mean Shares	Interest Spread for Members	Other Income and Charges/ Total Income	Cost/ Income Ratio	Mortgage Loss Provisions Charge/ (Credit) for Year	Charge/(Credit) for Year/Profit Pre-Provision	Total ManEx	ManEx/ Mean Assets	Rank	ManEx – Other Income/ Mean Assets
			X	£'000	%	%	%	%	%	%	%	£'000	%	£'000	%		%
16	Leek United	Dec 2014	–	3,807	13.68%	1.25%	3.38%	1.66%	1.72%	14.22%	57.36%	(108)	(1.99%)	7,301	0.83%	1	0.64%
17	Furness	Dec 2014	–	3,399	78.52%	1.66%	3.74%	1.53%	2.21%	5.04%	65.01%	458	8.71%	9,773	1.14%	8	1.05%
18	Newbury	Oct 2014	–	4,694	83.00%	1.78%	3.78%	1.53%	2.25%	0.85%	54.08%	62	0.94%	7,745	0.97%	3	0.95%
19	Ipswich	Nov 2014	–	2,916	21.60%	1.66%	4.21%	1.86%	2.35%	6.54%	67.97%	41	0.97%	7,279	1.21%	11	1.10%
20	Hinckley & Rugby	Nov 2014	–	185	176.12%	1.03%	2.47%	1.22%	1.25%	5.66%	89.92%	0	0.00%	5,452	0.99%	4	0.92%
21	Darlington	Dec 2014	–	1,206	118.08%	1.66%	3.40%	1.33%	2.07%	6.50%	67.98%	1,049	34.92%	6,379	1.21%	10	1.09%
22	Manchester	Dec 2014	–	1,624	71.75%	1.77%	4.11%	1.29%	2.82%	10.51%	48.96%	3,750	69.09%	5,508	0.95%	2	0.78%
23	Market Harborough	Dec 2014	–	1,560	143.37%	1.70%	3.27%	1.21%	2.06%	7.38%	68.14%	58	2.45%	5,060	1.23%	12	1.12%
24	Melton Mowbray	Dec 2014	–	426	(33.12%)	1.04%	2.69%	1.57%	1.12%	28.59%	75.00%	403	33.20%	4,274	1.10%	7	0.73%
25	Marsden	Dec 2014	–	1,054	13.70%	1.52%	3.40%	1.34%	2.06%	5.14%	74.83%	160	10.71%	4,442	1.20%	9	1.12%
26	Scottish	Jan 2015	–	1,904	87.22%	1.93%	4.09%	1.32%	2.77%	(1.24%)	69.00%	54	2.52%	5,110	1.32%	14	1.37%
27	Tipton & Coseley	Dec 2014	–	2,130	11.05%	1.75%	3.68%	1.42%	2.26%	5.65%	53.73%	300	9.39%	3,712	0.99%	5	0.89%
28	Hanley Economic	Aug 2014	–	520	340.68%	1.37%	3.41%	1.61%	1.80%	2.41%	79.83%	0	0.00%	3,658	1.05%	6	1.10%
29	Dudley	Mar 2015	–	704	75.12%	1.80%	3.95%	1.50%	2.45%	6.27%	82.69%	(78)	(7.71%)	4,835	1.49%	15	1.49%
30	Harpenden	Dec 2014	–	1,452	26.70%	1.72%	4.60%	1.78%	2.82%	10.05%	65.67%	(105)	(5.47%)	3,672	1.25%	13	1.06%

Average of Peer Group Societies				81.83%	1.57%	3.62%	1.47%	2.13%	7.57%	68.01%		10.51%		1.13%	1.02%
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# Peer Group 2

**Table 5: Society Staff Ratios, Pension Costs & Pension Disclosures**

Asset Ranking	Society	IFRS Year End	Society staff costs					Society pension costs			Defined Benefit Scheme?	Group Defined Benefit Pension Scheme				
			Total Number of Staff	Total Staff Costs	Staff Costs per Staff Member	Profit for Year per Staff Member	Total Assets per Staff	Total Wages and Salaries (TW&S)	Other Pension Costs	Pension Costs/ (TW&S)		Scheme (Deficit)/Surplus		Key Assumptions		
				£'000	£'000/staff	£'000/staff	£'000/staff	£'000	£'000	%		Gross	% of Gen Reserves	Salary Increase	Discount Rate	Inflation Rate
16	Leek United	Dec 2014	122	3,940	32.30	31.20	7,418	3,358	256	7.62%	Yes - Closed	(2,548)	4.66%	4.10%	3.40%	3.10%
17	Furness	Dec 2014	137	4,421	32.37	24.81	6,392	3,758	335	8.91%	Yes - Closed	(5,826)	9.81%	2.50%	3.40%	1.90%
18	Newbury	Oct 2014	114	4,319	37.89	41.18	7,184	3,495	466	13.33%	No	n/a	n/a	n/a	n/a	n/a
19	Ipswich	Nov 2014	88	3,328	37.82	33.14	6,832	2,795	253	9.05%	Yes - Closed	(1,351)	5.14%	0.00%	3.65%	3.10%
20	Hinckley & Rugby	Nov 2014	94	3,162	33.64	1.97	5,844	2,628	294	11.19%	Yes - Closed	(1,521)	3.92%	0.00%	3.60%	3.10%
21	Darlington	Dec 2014	90	3,080	34.41	13.47	5,944	2,641	199	7.54%	Yes - Closed	(925)	2.35%	0.00%	3.60%	3.00%
22	Manchester	Dec 2014	35	1,630	46.57	46.40	14,513	1,358	133	9.79%	No	n/a	n/a	n/a	n/a	n/a
23	Market Harborough	Dec 2014	78	2,886	37.00	20.00	5,374	2,476	177	7.15%	Yes - Closed	(1,874)	6.39%	3.70%	3.40%	3.20%
24	Melton Mowbray	Dec 2014	70	2,508	35.83	6.09	5,543	2,118	203	9.58%	Yes - Closed	6,964	(21.36%)	0.00%	3.50%	3.10%
25	Marsden	Dec 2014	67	2,228	33.25	15.73	5,708	1,739	307	17.65%	No	n/a	n/a	n/a	n/a	n/a
26	Scottish	Jan 2015	59	2,637	44.69	32.27	6,382	2,188	245	11.20%	No	n/a	n/a	n/a	n/a	n/a
27	Tipton & Coseley	Dec 2014	83	2,253	27.14	25.66	4,499	1,824	254	13.93%	Yes - Open	(650)	2.00%	0.00%	3.40%	3.10%
28	Hanley Economic	Aug 2014	55	1,402	25.49	9.45	6,527	1,222	112	9.17%	No	n/a	n/a	n/a	n/a	n/a
29	Dudley	Mar 2015	72	2,497	34.68	9.78	4,565	2,182	114	5.22%	No	n/a	n/a	n/a	n/a	n/a
30	Harpenden	Dec 2014	44	1,951	44.34	33	6,849	1,599	196	12.26%	No	n/a	n/a	n/a	n/a	n/a

Average of Peer Group Societies			33.38	22.94	6,639			10.23%				1.61%	1.29%	3.49%	2.95%
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# Peer Group 2

**Table 6: Loans and Advances (1): Group Lending and Provisions**

Asset Ranking	Society	IFRS Year End	Lending Limit	Group/Society Gross Mortgage Lending		No. Group/Society Arrears 12 mths and over	Group/Society Total Year End Mortgage Provisions	Group/Society											
				£'000	% to total P/Yr loans			Loans				FSRP Provisions				FSOL Provisions			
								FSRP Loans	Increase	FSOL Loans	Increase	Other Loans	Increase	Charge/ (Credit)	Year End Provision	Charge/ (Credit) to FSRP Loans	Provision to FSRP Loans	Charge/ (Credit) to FSOL Loans	Provision to FSOL Loans
£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
16	Leek United	Dec 2014	1.42%	109,000	16.17%	0	818	666,660	(1.05%)	501	(7.90%)	8,004	n/a	(100)	818	(0.01%)	0.12%	0.00%	0.00%
17	Furness	Dec 2014	1.70%	157,000	24.26%	26	2,700	674,871	6.42%	10,660	(17.32%)	0	n/a	452	2,322	0.07%	0.34%	0.05%	3.42%
18	Newbury	Oct 2014	2.20%	143,000	23.16%	7	831	647,865	7.15%	13,834	7.38%	0	n/a	49	691	0.01%	0.11%	0.07%	1.00%
19	Ipswich*	Nov 2014	0.70%	n/a	n/a	16	732	471,077	(2.14%)	3,146	(3.50%)	0	n/a	41	732	0.01%	0.16%	0.00%	0.00%
20	Hinckley & Rugby*	Nov 2014	0.30%	111,900	25.14%	0	400	453,259	1.94%	356	(8.72%)	0	n/a	0	370	0.00%	0.08%	0.00%	7.77%
21	Darlington	Dec 2014	8.27%	72,200	17.83%	10	3,362	388,243	1.87%	22,634	1.55%	881	(45.21%)	386	1,490	0.10%	0.38%	3.64%	5.17%
22	Manchester	Dec 2014	10.73%	0	0.00%	14	17,789	354,437	(14.90%)	31,278	(11.74%)	1,657	(22.13%)	(695)	14,601	(0.19%)	4.10%	1.89%	9.19%
23	Market Harborough	Dec 2014	3.30%	85,000	25.85%	3	945	338,203	3.39%	10,778	541.93%	0	n/a	58	945	0.02%	0.28%	0.00%	0.00%
24	Melton Mowbray	Dec 2014	4.21%	59,000	19.95%	0	1,587	296,188	1.69%	3,948	(10.76%)	0	n/a	(118)	1,111	(0.04%)	0.37%	7.64%	10.76%
25	Marsden*	Dec 2014	1.90%	78,100	29.18%	0	1,075	289,951	10.37%	4,481	(9.09%)	0	n/a	19	362	0.01%	0.12%	2.71%	13.73%
26	Scottish	Jan 2015	5.98%	51,100	18.56%	9	341	265,496	3.02%	16,647	(5.78%)	0	n/a	54	341	0.02%	0.13%	0.00%	0.00%
27	Tipton & Coseley	Dec 2014	2.52%	50,520	17.77%	3	2,597	276,117	(0.75%)	5,838	(3.93%)	0	n/a	33	1,841	0.01%	0.66%	0.93%	11.46%
28	Hanley Economic	Aug 2014	2.26%	64,900	0.00%	3	2,488	272,176	9.47%	5,747	6.43%	0	n/a	0	2,476	0.00%	0.90%	0.00%	0.21%
29	Dudley*	Mar 2015	1.08%	52,200	22.04%	6	1,727	253,341	7.95%	2,091	(4.43%)	0	n/a	77	1,723	0.03%	0.68%	0.05%	0.19%
30	Harpenden*	Dec 2014	5.21%	43,600	22.42%	1	584	180,986	(1.31%)	9,092	(17.66%)	0	n/a	106	228	0.06%	0.13%	(2.23%)	3.77%
Average of Peer Group Societies			3.45%	17.49%				2.21%		30.43%		(33.67%)		0.01%	0.57%		0.98%	4.22%	

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 2

**Table 7: Loans and Advances (2): Society Lending and Provisions**

Asset Ranking	Society	IFRS Year End	Lending Limit	Number of Society Borrowers	Total Year End Mortgage Provisions	Group/Society											
						Loans					FSRP Provisions			FSOL Provisions			
						FSRP Loans	Increase	FSOL Loans	Increase	Other Loans	Increase	Charge/ (Credit)	Year End Provision	Charge/ (Credit) to FSRP Loans	Provision to FSRP Loans	Charge/ (Credit) to FSOL Loans	Provision to FSOL Loans
£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	%	%	%				
16	Leek United	Dec 2014	1.42%	6,882	818	666,508	(1.05%)	501	(7.90%)	8,004	n/a	(100)	818	(0.01%)	0.12%	0.00%	0.00%
17	Furness	Dec 2014	1.70%	8,158	2,680	668,791	6.59%	10,660	(17.32%)	0	n/a	452	2,302	0.07%	0.34%	0.05%	3.42%
18	Newbury	Oct 2014	2.20%	5,165	730	612,764	8.89%	7,273	30.69%	0	n/a	45	657	0.01%	0.11%	0.23%	0.99%
19	Ipswich	Nov 2014	0.70%	6,934	732	471,077	(2.14%)	3,146	(3.50%)	0	n/a	41	732	0.01%	0.16%	0.00%	0.00%
20	Hinckley & Rugby	Nov 2014	0.30%	6,000	400	453,259	1.94%	356	(8.72%)	0	n/a	0	370	0.00%	0.08%	0.00%	7.77%
21	Darlington	Dec 2014	8.27%	5,661	3,362	388,243	1.87%	22,634	1.55%	881	(45.21%)	386	1,490	0.10%	0.38%	3.64%	5.17%
22	Manchester	Dec 2014	10.73%	3,915	11,116	345,872	(15.29%)	31,278	(11.74%)	1,657	(22.13%)	378	7,928	0.11%	2.24%	1.89%	9.19%
23	Market Harborough	Dec 2014	3.30%	3,829	945	338,074	3.41%	10,778	541.93%	0	n/a	58	945	0.02%	0.28%	0.00%	0.00%
24	Melton Mowbray	Dec 2014	4.21%	4,878	673	256,091	3.64%	3,948	(10.76%)	0	n/a	5	197	0.00%	0.08%	7.64%	10.76%
25	Marsden	Dec 2014	1.90%	4,034	1,075	289,951	10.37%	4,481	(9.09%)	0	n/a	19	362	0.01%	0.12%	2.71%	13.73%
26	Scottish	Jan 2015	5.98%	6,235	341	264,424	3.05%	16,647	(5.78%)	0	n/a	54	341	0.02%	0.13%	0.00%	0.00%
27	Tipton & Coseley	Dec 2014	2.52%	5,624	2,597	276,117	(0.75%)	5,838	(3.93%)	0	n/a	33	1,841	0.01%	0.66%	0.93%	11.46%
28	Hanley Economic	Aug 2014	2.26%	2,558	2,438	264,725	9.94%	5,747	6.43%	0	n/a	0	2,426	0.00%	0.91%	0.00%	0.21%
29	Dudley	Mar 2015	1.08%	4,856	1,727	253,341	7.95%	2,091	(4.43%)	0	n/a	77	1,723	0.03%	0.68%	0.05%	0.19%
30	Harpenden	Dec 2014	5.21%	1,065	584	180,986	(1.31%)	9,092	(17.66%)	0	n/a	106	228	0.06%	0.13%	(2.23%)	3.77%
Average of Peer Group Societies			3.45%				2.48%		31.98%		(33.67%)		0.03%	0.42%	0.99%	4.44%	

# Peer Group 2

**Table 8: Loans and Advances (3): FSRP Provisions**

Asset Ranking	Society	IFRS Year End	Group: Loans Fully Secured on Residential Property (FSRP)						Society: Loans Fully Secured on Residential Property (FSRP)							
			General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSRP	Rank	Specific Provision/Total FSRP	Rank	General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSRP	Rank	Specific Provision/Total FSRP	Rank
			£'000	£'000	%	%		%		£'000	£'000	%	%		%	
16	Leek United	Dec 2014	800	18	4,444.44%	0.12%	11	0.00%	1	800	18	4,444.44%	0.12%	11	0.00%	1
17	Furness	Dec 2014	1,590	732	217.21%	0.23%	12	0.11%	8	1,570	732	214.48%	0.23%	12	0.11%	9
18	Newbury	Oct 2014	659	32	2,059.38%	0.10%	7	0.00%	1	625	32	1,953.13%	0.10%	8	0.01%	4
19	Ipswich*	Nov 2014	384	348	110.34%	0.08%	5	0.07%	6	384	325	110.34%	0.08%	6	0.07%	7
20	Hinckley & Rugby*	Nov 2014	370	0	n/a	0.08%	6	0.00%	1	370	0	n/a	0.08%	7	0.00%	1
21	Darlington	Dec 2014	440	1,050	41.90%	0.11%	9	0.27%	11	440	1,050	41.90%	0.11%	10	0.27%	11
22	Manchester	Dec 2014	12,620	1,981	637.05%	3.42%	15	0.54%	13	5,947	1,981	300.20%	1.68%	15	0.56%	13
23	Market Harborough	Dec 2014	945	0	n/a	0.28%	13	0.00%	1	945	0	n/a	0.28%	13	0.00%	1
24	Melton Mowbray	Dec 2014	344	767	44.85%	0.12%	10	0.26%	10	128	69	185.51%	0.05%	5	0.03%	6
25	Marsden*	Dec 2014	320	42	761.90%	0.11%	8	0.01%	5	320	42	761.90%	0.11%	9	0.01%	5
26	Scottish	Jan 2015	108	233	46.35%	0.04%	3	0.09%	7	108	233	46.35%	0.04%	4	0.09%	8
27	Tipton & Coseley	Dec 2014	1,089	752	144.81%	0.39%	14	0.27%	12	1,089	752	144.81%	0.39%	14	0.27%	12
28	Hanley Economic	Aug 2014	138	2,338	5.90%	0.05%	4	0.85%	15	88	2,338	3.76%	0.03%	2	0.88%	15
29	Dudley*	Mar 2015	94	1,629	5.77%	0.04%	2	0.64%	14	94	1,629	5.77%	0.04%	3	0.64%	14
30	Harpenden*	Dec 2014	11	217	5.07%	0.01%	1	0.22%	9	11	217	5.07%	0.01%	1	0.12%	10
			Total	Total	Peer Group Ratio				Total	Total	Peer Group Ratio					
			19,912	10,139	196.39%				11,407	9,068	125.79%					
Average of Peer Group Societies						0.33%	0.21%					0.23%	0.21%			

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 2

**Table 9: Loans and Advances (4): FSOL Provisions**

Asset Ranking	Society	IFRS Year End	Group: Loans Fully Secured on Land (FSOL)						Society: Loans Fully Secured on Land (FSOL)							
			General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSOL	Rank	Specific Provision/Total FSOL	Rank	General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSOL	Rank	Specific Provision/Total FSOL	Rank
			£'000	£'000	%	%		%		£'000	£'000	%	%		%	
16	Leek United	Dec 2014	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
17	Furness	Dec 2014	250	128	195.31%	2.26%	14	1.16%	9	250	128	195.31%	2.26%	14	1.16%	9
18	Newbury	Oct 2014	140	0	n/a	1.00%	12	0.00%	1	73	0	n/a	0.99%	12	0.00%	1
19	Ipswich*	Nov 2014	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
20	Hinckley & Rugby*	Nov 2014	30	0	n/a	7.77%	15	0.00%	1	30	0	n/a	7.77%	15	0.00%	1
21	Darlington	Dec 2014	0	1,233	n/a	0.00%	1	5.17%	11	0	1,233	n/a	0.00%	1	5.17%	11
22	Manchester	Dec 2014	20	3,147	0.64%	0.06%	7	9.14%	12	20	3,147	0.64%	0.06%	7	9.14%	12
23	Market Harborough	Dec 2014	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
24	Melton Mowbray	Dec 2014	1	475	0.21%	0.02%	6	10.74%	14	1	475	0.21%	0.02%	6	10.74%	14
25	Marsden*	Dec 2014	27	686	3.94%	0.52%	11	13.21%	15	27	686	3.94%	0.52%	11	13.21%	15
26	Scottish	Jan 2015	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
27	Tipton & Coseley	Dec 2014	135	621	21.74%	2.05%	13	9.42%	13	135	621	21.74%	2.05%	13	9.42%	13
28	Hanley Economic	Aug 2014	12	0	n/a	0.21%	9	0.00%	1	12	0	n/a	0.21%	9	0.00%	1
29	Dudley*	Mar 2015	4	0	n/a	0.19%	8	0.00%	1	4	0	n/a	0.19%	8	0.00%	1
30	Harpenden*	Dec 2014	42	314	13.38%	0.44%	10	3.32%	10	42	314	13.38%	0.44%	10	3.32%	10
			Total 661	Total 6,604	Peer Group Ratio 10.32%				Total 594	Total 6,604	Peer Group Ratio 8.99%					
Average of Peer Group Societies						0.97%	3.48%							0.97%	3.48%	

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 3

**Table 1: Total Assets, Shares, Members and Branches**

Asset Ranking	Society	IFRS Year End	Group Total Assets	Group Asset Growth	Rank	Society Total Assets	Society Asset Growth	Rank	Society Shares	Society Shares Growth	Number of Society Shareholders	Average Balance per Shareholder	Funding Limit	Liquid Assets Ratio	Number of Society Branches	Total Society Assets per Branch	Society Shareholders per Branch	Society Borrowers per Branch	
			£'000	%		£'000	%		£'000	%	£'000	%		£	%	%		£'000	
31	Vernon	Dec 2014	287,618	5.27%	7	287,627	5.27%	7	234,286	4.11%	30,591	7,480	14.41%	23.31%	7	41,090	4,370	342	
32	Loughborough*	Oct 2014	287,425	2.46%	11	287,425	2.46%	11	251,894	3.75%	25,457	9,895	5.15%	27.70%	3	95,808	8,486	725	
33	Mansfield*	Dec 2014	286,347	5.91%	5	286,347	5.91%	5	213,890	(0.36%)	12,839	16,657	18.92%	21.68%	4	71,587	3,210	704	
34	Bath Investment	Dec 2014	279,362	2.50%	10	279,035	2.49%	10	188,286	0.03%	9,416	19,996	26.10%	22.50%	2	139,518	4,708	889	
35	Stafford Railway*	Oct 2014	261,463	5.46%	6	261,463	5.46%	6	221,614	6.79%	12,728	17,412	9.00%	34.34%	1	261,463	12,728	1,607	
36	Teachers*	Dec 2014	244,461	8.66%	3	244,461	8.66%	3	200,724	6.79%	12,728	15,770	11.29%	9.51%	1	244,461	12,728	1,607	
37	Swansea*	Dec 2014	227,688	0.90%	13	227,688	0.90%	13	186,697	0.68%	11,171	16,713	12.30%	31.20%	2	113,844	5,586	686	
38	Chorley & District*	Feb 2015	226,793	7.73%	4	226,793	7.73%	4	199,171	6.67%	26,252	7,587	4.05%	29.22%	3	75,598	8,751	647	
39	Buckinghamshire*	Dec 2014	217,357	(10.40%)	14	217,357	(10.40%)	14	155,201	(12.06%)	9,482	16,257	22.19%	22.84%	1	217,357	9,482	1,431	
40	Beverley*	Dec 2014	187,504	3.40%	9	187,504	3.40%	9	145,273	5.49%	10,938	13,279	16.79%	20.57%	1	187,504	10,938	1,119	
41	Holmesdale*	Mar 2015	165,585	12.90%	1	165,585	12.90%	1	128,767	2.82%	5,899	21,829	14.65%	27.90%	1	165,585	5,899	1,012	
42	Ecology*	Dec 2014	138,048	10.61%	2	138,048	10.61%	2	121,526	10.95%	8,275	14,686	5.89%	34.77%	1	138,048	8,275	799	
43	Earl Shilton*	Mar 2015	121,268	4.98%	8	121,268	4.98%	8	104,570	5.21%	14,431	7,246	6.25%	27.25%	2	60,634	7,216	453	
44	Penrith*	Dec 2014	95,186	1.93%	12	95,186	1.93%	12	83,216	1.84%	5,931	13,992	2.09%	29.30%	1	95,186	5,931	719	
			Total Peer Group 3,026,105		Total Peer Group 3,025,787														
<b>Average of Peer Group Societies</b>				<b>4.45%</b>	<b>4.45%</b>		<b>3.05%</b>		<b>14,200</b>	<b>12.08%</b>	<b>25.86%</b>	<b>136,263</b>	<b>7,736</b>	<b>910</b>					

\* Denotes no Group; therefore Society total assets included as Group

# Peer Group 3

## Table 2: Group/Society Profitability Ratios

Asset Ranking	Society	IFRS Year End	Exceptional Items in addition to FSCS levy Current Year	Group Profit for Year	Profit Change	Group/Society Profit for Year/Mean Assets	Group Net Interest Margin/ Mean Assets	Group Cost/ Income Ratio	Group ManEx/ Mean Assets	Rank	Group ManEx – Other Income/ Mean Assets	Mortgage Loss Provisions		Recurring Profit Including Mortgage Loss Provisions Current Year	Recurring Profit Including Mortgage Loss Provisions Prior Year	Change	FSCS levy Charge/ (Credit)	FSCS levy Provision
												Charge/(Credit) for Year	Charge/(Credit) for Year/Profit Pre-Provision					
31	Vernon	Dec 2014	–	566	0.00%	0.20%	1.53%	74.19%	1.20%	6	1.11%	66	5.66%	1,100	773	42.30%	153	285
32	Loughborough*	Oct 2014	–	540	41.73%	0.19%	1.58%	78.59%	1.27%	10	1.23%	105	10.66%	880	662	32.93%	200	125
33	Mansfield*	Dec 2014	–	1,299	59.19%	0.46%	1.80%	63.22%	1.19%	5	1.11%	96	4.98%	1,831	1,279	43.16%	172	289
34	Bath Investment	Dec 2014	X	2,954	39.47%	1.07%	2.63%	46.84%	1.34%	12	1.10%	222	5.28%	3,980	2,898	37.34%	166	85
35	Stafford Railway*	Oct 2014	–	1,449	41.50%	0.57%	1.42%	43.42%	0.61%	1	0.62%	3	0.15%	2,017	1,472	37.02%	155	87
36	Teachers*	Dec 2014	–	1,785	84.02%	0.76%	2.14%	55.48%	1.21%	7	1.17%	184	8.05%	2,103	1,101	91.01%	89	75
37	Swansea*	Dec 2014	–	2,176	88.07%	0.96%	2.15%	42.44%	0.96%	3	0.85%	7	0.24%	2,935	1,634	79.62%	157	205
38	Chorley & District*	Feb 2015	X	1,605	(6.65%)	0.73%	1.75%	66.45%	1.25%	9	1.12%	12	0.87%	1,366	1,281	6.63%	123	197
39	Buckinghamshire*	Dec 2014	–	3,258	33.03%	1.42%	2.93%	36.95%	1.11%	4	1.03%	75	1.73%	4,272	3,415	25.10%	115	52
40	Beverley*	Dec 2014	–	329	29.53%	0.18%	1.30%	65.92%	0.84%	2	0.87%	253	31.43%	552	466	18.45%	135	198
41	Holmesdale*	Mar 2015	–	128	(167.13%)	0.08%	1.44%	79.85%	1.23%	8	1.13%	175	36.01%	311	26	1,110.45%	86	128
42	Ecology*	Dec 2014	–	576	43.28%	0.44%	1.95%	67.62%	1.35%	13	1.31%	9	1.06%	838	628	33.44%	90	140
43	Earl Shilton*	Mar 2015	–	543	71.10%	0.46%	1.90%	68.51%	1.36%	14	1.28%	(28)	(3.78%)	768	487	57.75%	74	122
44	Penrith*	Dec 2014	–	74	40.35%	0.08%	1.52%	86.59%	1.31%	11	1.32%	37	19.22%	154	123	25.41%	61	95

<b>Average of Peer Group Societies</b>																		
					28.39%	0.54%	1.86%	62.58%	1.16%		1.09%							

\* Denotes no Group: therefore Society profitability measures included as Group



# Peer Group 3

**Table 3: Group/Society Reserves and Capital**

Asset Ranking	Society	IFRS Year End	General Reserves	IFRS Reserves	Revaluation Reserve	Other Reserves/ Minority Interests	Total Reserves	Total Reserves/ Total Assets	Rank	Total Reserves Change on Prior Year	Prior Year		Other Capital	Subordinated Debt	Gross Capital	Free Capital
			£'000	£'000	£'000	£'000	£'000	%		%	£'000	%	£'000	£'000	%	%
31	Vernon	Dec 2014	18,974	-	0	0	18,974	6.60%	10	3.07%	18,408	6.74%	0	0	7.10%	6.57%
32	Loughborough*	Oct 2014	19,916	-	713	0	20,629	7.18%	7	2.69%	20,089	7.16%	0	0	7.77%	7.11%
33	Mansfield*	Dec 2014	20,579	-	638	0	21,217	7.41%	6	6.74%	19,877	7.35%	0	0	8.04%	7.64%
34	Bath Investment	Dec 2014	23,528	-	428	0	23,956	8.58%	2	13.88%	21,036	7.72%	0	0	9.40%	8.40%
35	Stafford Railway*	Oct 2014	16,969	-	0	0	16,969	6.49%	11	9.34%	15,520	6.26%	0	0	6.97%	6.79%
36	Teachers*	Dec 2014	17,087	-	90	0	17,177	7.03%	8	9.29%	15,717	6.99%	0	0	7.59%	7.60%
37	Swansea*	Dec 2014	13,818	-	31	0	13,849	6.08%	12	18.64%	11,673	5.17%	0	0	6.51%	6.15%
38	Chorley & District*	Feb 2015	15,860	-	0	0	15,860	6.99%	9	11.26%	14,255	6.77%	0	0	7.54%	6.70%
39	Buckinghamshire*	Dec 2014	17,505	-	514	0	18,019	8.29%	3	23.24%	14,621	6.03%	0	0	9.10%	8.36%
40	Beverley*	Dec 2014	9,093	-	485	0	9,578	5.11%	13	3.57%	9,248	5.10%	0	2,750	7.06%	6.70%
41	Holmesdale*	Mar 2015	13,118	-	454	0	13,572	8.20%	4	0.95%	13,444	9.17%	0	0	9.00%	8.41%
42	Ecology*	Dec 2014	6,951	-	0	0	6,951	5.04%	14	9.04%	6,375	5.11%	0	1,248	5.94%	4.95%
43	Earl Shilton*	Mar 2015	9,297	-	0	0	9,297	7.67%	5	6.20%	8,754	7.58%	0	0	8.33%	8.04%
44	Penrith*	Dec 2014	10,231	-	0	0	10,231	10.75%	1	0.73%	10,157	10.88%	0	0	12.07%	11.92%

<b>Average of Peer Group Societies</b>	<b>7.24%</b>	<b>8.03%</b>	<b>7.52%</b>
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\* Denotes no Group: therefore Society reserves and capital included as Group

# Peer Group 3

**Table 4: Society Profitability Ratios**

Asset Ranking	Society	IFRS Year End	Exceptional Items in addition to FSCS Levy Current Year	Society Profit for Year £'000	Profit Change %	Net Interest Margin/ Mean Assets %	Interest Receivable/ Mean FSRP %	Interest Payable/ Mean Shares %	Interest Spread for Members %	Other Income and Charges/ Total Income %	Cost/ Income Ratio %	Mortgage Loss Provisions		Total ManEx £'000	ManEx/ Mean Assets %	Rank	ManEx – Other Income/ Mean Assets %
												Charge/(Credit) for Year £'000	Charge/(Credit) for Year/Profit Pre-Provision %				
31	Vernon	Dec 2014	–	566	0.00%	1.53%	3.41%	1.50%	1.91%	6.63%	74.19%	66	5.66%	3,352	1.20%	6	1.11%
32	Loughborough	Oct 2014	–	540	41.73%	1.58%	3.74%	1.62%	2.12%	2.89%	78.59%	105	10.66%	3,615	1.27%	11	1.23%
33	Mansfield	Dec 2014	–	1,299	59.19%	1.80%	3.86%	1.66%	2.20%	4.54%	63.22%	96	4.98%	3,312	1.19%	5	1.11%
34	Bath Investment	Dec 2014	–	2,870	42.64%	2.63%	4.61%	1.29%	3.32%	1.88%	45.11%	222	5.48%	3,327	1.21%	7	1.16%
35	Stafford Railway	Oct 2014	–	1,449	41.50%	1.42%	3.70%	1.60%	2.10%	0.25%	43.42%	3	0.15%	1,550	0.61%	1	0.62%
36	Teachers	Dec 2014	–	1,785	84.02%	2.14%	3.83%	1.64%	2.19%	4.12%	55.48%	184	8.05%	2,850	1.21%	8	1.17%
37	Swansea	Dec 2014	–	2,176	88.07%	2.15%	4.60%	1.34%	3.26%	4.60%	42.44%	7	0.24%	2,169	0.96%	3	0.85%
38	Chorley & District	Feb 2015	X	1,605	(6.65%)	1.75%	4.56%	1.92%	2.64%	6.60%	66.45%	12	0.87%	2,729	1.25%	10	1.12%
39	Buckinghamshire	Dec 2014	–	3,258	33.03%	2.93%	6.03%	2.25%	3.78%	2.42%	36.95%	75	1.73%	2,547	1.11%	4	1.03%
40	Beverley	Dec 2014	–	329	29.53%	1.30%	2.85%	1.34%	1.51%	0.17%	65.92%	253	31.43%	1,557	0.84%	2	0.87%
41	Holmesdale	Mar 2015	X	128	(167.13%)	1.44%	8.06%	1.45%	6.61%	6.80%	79.85%	175	36.01%	1,926	1.23%	9	1.13%
42	Ecology	Dec 2014	–	576	43.28%	1.95%	4.74%	1.49%	3.25%	2.03%	67.62%	9	1.06%	1,769	1.35%	13	1.31%
43	Earl Shilton	Mar 2015	–	543	71.10%	1.90%	8.36%	1.45%	6.91%	6.28%	68.51%	(28)	(3.78%)	1,610	1.36%	14	1.28%
44	Penrith	Dec 2014	–	74	40.35%	1.52%	3.62%	1.41%	2.21%	(0.67%)	86.59%	37	19.22%	1,233	1.31%	12	1.32%
Average of Peer Group Societies					28.62%	1.86%	4.71%	1.57%	3.14%	3.47%	62.45%		8.70%		1.15%		1.09%

# Peer Group 3

**Table 5: Society Staff Ratios, Pension Costs & Pension Disclosures**

Asset Ranking	Society	IFRS Year End	Society staff costs				Society pension costs			Defined Benefit Scheme?	Group Defined Benefit Pension Scheme					
			Total Number of Staff	Total Staff Costs	Staff Costs per Staff Member	Profit for Year per Staff Member	Total Assets per Staff Member	Total Wages and Salaries (TW&S)	Other Pension Costs		Pension Costs/ (TW&S)	Scheme (Deficit)/Surplus		Key Assumptions		
				£'000	£'000/staff	£'000/staff	£'000/staff	£'000	£'000		%	Gross £'000	% of Gen Reserves	Salary Increase %	Discount Rate %	Inflation Rate %
31	Vernon	Dec 2014	61	2,062	33.80	9.27	4,715	1,784	154	8.63%	No	n/a	n/a	n/a	n/a	n/a
32	Loughborough	Oct 2014	45	1,759	39.09	12.00	6,387	1,480	128	8.65%	No	n/a	n/a	n/a	n/a	n/a
33	Mansfield	Dec 2014	57	1,841	32.58	22.99	5,068	1,579	107	6.78%	Yes - Closed	0	0.00%	2.85%	3.55%	2.95%
34	Bath Investment	Dec 2014	45	1,783	39.62	63.78	6,201	1,540	63	4.09%	No	n/a	n/a	n/a	n/a	n/a
35	Stafford Railway	Oct 2014	18	442	24.56	80.50	14,526	382	31	8.12%	No	n/a	n/a	n/a	n/a	n/a
36	Teachers	Dec 2014	38	1,752	46.11	46.97	6,433	1,535	68	4.43%	No	n/a	n/a	n/a	n/a	n/a
37	Swansea	Dec 2014	23	951	41.34	96.71	10,119	781	78	9.99%	No	n/a	n/a	n/a	n/a	n/a
38	Chorley & District	Feb 2015	44	1,486	33.77	36.48	5,154	1,272	91	7.15%	No	n/a	n/a	n/a	n/a	n/a
39	Buckinghamshire	Dec 2014	26	1,303	50.11	127.76	8,524	1,100	87	7.91%	No	n/a	n/a	n/a	n/a	n/a
40	Beverley	Dec 2014	16	724	45.25	20.56	11,719	611	49	8.02%	No	n/a	n/a	n/a	n/a	n/a
41	Holmesdale	Mar 2015	25	1,183	47.32	5.12	6,623	953	123	12.91%	Yes - Closed	105	(0.80%)	n/a	3.30%	3.00%
42	Ecology	Dec 2014	22	883	40.14	26.18	6,275	743	59	7.94%	No	n/a	n/a	n/a	n/a	n/a
43	Earl Shilton	Mar 2015	27	759	28.11	20.11	4,491	648	57	8.80%	No	n/a	n/a	n/a	n/a	n/a
44	Penrith	Dec 2014	17	643	37.82	4.35	5,599	504	57	11.34%	No	n/a	n/a	n/a	n/a	n/a
Average of Peer Group Societies				38.56	40.91	7,274			8.20%			(0.40%)	2.85%	3.43%	2.98%	

# Peer Group 3

**Table 6: Loans and Advances (1): Group Lending and Provisions**

Asset Ranking	Society	IFRS Year End	Lending Limit	Group/Society Gross Mortgage Lending		No. Group/Society Arrears 12 mths and over	Group/Society Total Year End Mortgage Provisions	Group/Society											
								Loans						FSRP Provisions				FSOL Provisions	
								FSRP Loans	Increase	FSOL Loans	Increase	Other Loans	Increase	Charge/ (Credit)	Year End Provision	Charge/ (Credit) to FSRP Loans	Provision to FSRP Loans	Charge/ (Credit) to FSOL Loans	Provision to FSOL Loans
								£'000	%	£'000	%	£'000	%	£'000	£'000	%	%	%	%
31	Vernon	Dec 2014	6.68%	46,000	22.06%	9	409	208,663	6.69%	14,462	11.89%	0	n/a	32	259	0.02%	0.12%	0.23%	1.03%
32	Loughborough*	Oct 2014	5.12%	37,700	18.27%	6	1,415	201,477	3.24%	10,042	(10.31%)	0	n/a	(203)	696	(0.10%)	0.34%	2.86%	6.68%
33	Mansfield*	Dec 2014	0.99%	52,100	23.27%	7	538	225,482	1.66%	1,926	(5.87%)	0	n/a	67	504	0.03%	0.22%	1.48%	1.73%
34	Bath Investment	Dec 2014	9.00%	37,400	17.79%	4	1,608	199,607	5.26%	19,245	(6.39%)	0	n/a	200	1,318	0.10%	0.66%	0.15%	1.48%
35	Stafford Railway*	Oct 2014	1.80%	44,100	26.73%	0	241	173,998	7.60%	3,131	(3.78%)	0	n/a	3	237	0.00%	0.14%	0.00%	0.13%
36	Teachers*	Dec 2014	1.80%	53,400	25.97%	1	661	218,471	8.13%	3,351	(5.69%)	0	n/a	200	661	0.09%	0.30%	0.00%	0.00%
37	Swansea*	Dec 2014	3.56%	37,500	25.78%	0	43	154,798	11.08%	5,539	(9.09%)	0	n/a	7	43	0.00%	0.03%	0.00%	0.00%
38	Chorley & District*	Feb 2015	1.00%	32,300	20.23%	5	345	161,811	2.16%	1,111	(9.90%)	0	n/a	12	345	0.01%	0.21%	0.00%	0.00%
39	Buckinghamshire*	Dec 2014	2.10%	19,000	9.85%	0	388	167,106	(11.87%)	2,885	(11.07%)	0	n/a	48	250	0.03%	0.15%	0.00%	4.57%
40	Beverley*	Dec 2014	6.56%	25,670	18.35%	0	1,386	140,655	8.59%	9,500	(8.05%)	0	n/a	244	1,241	0.17%	0.87%	0.28%	1.50%
41	Holmesdale*	Mar 2015	4.27%	41,300	43.40%	1	364	117,849	30.76%	4,999	(0.12%)	0	n/a	4	155	n/a	n/a	n/a	n/a
42	Ecology*	Dec 2014	10.76%	23,100	27.75%	0	257	82,166	12.08%	9,303	(6.04%)	30	(26.83%)	0	19	0.00%	0.02%	0.15%	2.19%
43	Earl Shilton*	Mar 2015	3.04%	17,000	19.50%	0	389	87,798	3.43%	2,596	(9.20%)	0	n/a	(26)	365	n/a	n/a	n/a	n/a
44	Penrith*	Dec 2014	2.82%	23,130	37.70%	3	245	68,339	13.96%	1,300	(6.00%)	0	n/a	7	117	0.01%	0.17%	2.10%	8.96%
Average of Peer Group Societies			4.25%	24.05%				7.34%		(5.69%)		(26.83%)		0.03%	0.27%	0.60%	2.35%		

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 3

**Table 7: Loans and Advances (2): Society Lending and Provisions**

Asset Ranking	Society	IFRS Year End	Lending Limit	Number of Society Borrowers	Total Year End Mortgage Provisions	Society											
						Loans					FSRP Provisions				FSOL Provisions		
						FSRP Loans	Increase	FSOL Loans	Increase	Other Loans	Increase	Charge/ (Credit)	Year End Provision	Charge/ (Credit) to FSRP Loans	Provision to FSRP Loans	Charge/ (Credit) to FSOL Loans	Provision to FSOL Loans
£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	%	%	%				
31	Vernon	Dec 2014	6.68%	2,391	409	208,663	6.69%	14,462	11.89%	0	n/a	32	259	0.02%	0.12%	0.23%	1.03%
32	Loughborough	Oct 2014	5.12%	2,174	1,415	201,477	3.24%	10,042	(10.31%)	0	n/a	(203)	696	(0.10%)	0.34%	2.86%	6.68%
33	Mansfield	Dec 2014	0.99%	2,815	538	225,482	1.66%	1,926	(5.87%)	0	n/a	67	504	0.03%	0.22%	1.48%	1.73%
34	Bath Investment	Dec 2014	9.00%	1,777	1,608	199,607	5.26%	19,245	(6.39%)	0	n/a	200	1,318	0.10%	0.66%	0.15%	1.48%
35	Stafford Railway	Oct 2014	1.80%	1,607	241	173,998	7.60%	3,131	(3.78%)	0	n/a	3	237	0.00%	0.14%	0.00%	0.13%
36	Teachers	Dec 2014	1.80%	1,607	661	218,471	8.13%	3,351	(5.69%)	0	n/a	200	661	0.09%	0.30%	0.00%	0.00%
37	Swansea	Dec 2014	3.56%	1,372	43	154,798	11.08%	5,539	(9.09%)	0	n/a	7	43	0.00%	0.03%	0.00%	0.00%
38	Chorley & District	Feb 2015	1.00%	1,940	345	161,811	2.16%	1,111	(9.90%)	0	n/a	12	345	0.01%	0.21%	0.00%	0.00%
39	Buckinghamshire	Dec 2014	2.10%	1,431	388	167,106	(11.87%)	2,885	(11.07%)	0	n/a	48	250	0.03%	0.15%	0.00%	4.57%
40	Beverley	Dec 2014	6.56%	1,119	1,386	140,655	8.59%	9,500	(8.05%)	0	n/a	244	1,241	0.17%	0.87%	0.28%	1.50%
41	Holmesdale	Mar 2015	4.27%	1,012	364	117,849	30.76%	4,999	(0.12%)	0	n/a	4	155	n/a	n/a	n/a	n/a
42	Ecology	Dec 2014	10.76%	799	257	82,166	12.08%	9,303	(6.04%)	30	(26.83%)	0	19	0.00%	0.02%	0.15%	2.19%
43	Earl Shilton	Mar 2015	3.04%	906	389	87,798	3.43%	2,596	(9.20%)	0	n/a	(26)	365	n/a	n/a	n/a	n/a
44	Penrith	Dec 2014	2.82%	719	245	68,339	13.96%	1,300	(6.00%)	0	n/a	7	117	0.01%	0.17%	2.10%	8.96%
Average of Peer Group Societies			4.25%				7.34%		(5.68%)		(26.83%)			0.03%	0.27%	0.60%	2.35%

# Peer Group 3

**Table 8: Loans and Advances (3): FSRP Provisions**

Asset Ranking	Society	IFRS Year End	Group: Loans Fully Secured on Residential Property (FSRP)						Society: Loans Fully Secured on Residential Property (FSRP)							
			General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSRP	Rank	Specific Provision/Total FSRP	Rank	General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSRP	Rank	Specific Provision/Total FSRP	Rank
			£'000	£'000	%	%		%		£'000	£'000	%	%		%	
31	Vernon	Dec 2014	210	49	428.57%	0.10%	8	0.02%	3	210	49	428.57%	0.10%	8	0.02%	3
32	Loughborough*	Oct 2014	110	586	18.77%	0.05%	3	0.29%	11	110	586	18.77%	0.05%	3	0.29%	11
33	Mansfield*	Dec 2014	359	145	247.59%	0.16%	11	0.06%	6	359	145	247.59%	0.16%	11	0.06%	6
34	Bath Investment	Dec 2014	180	1,138	15.82%	0.09%	7	0.57%	12	180	1,138	15.82%	0.09%	7	0.57%	12
35	Stafford Railway*	Oct 2014	209	28	746.43%	0.12%	9	0.02%	3	209	28	746.43%	0.12%	9	0.02%	3
36	Teachers*	Dec 2014	459	202	227.23%	0.21%	12	0.09%	8	459	202	227.23%	0.21%	12	0.09%	8
37	Swansea*	Dec 2014	0	43	n/a	0.00%	1	0.03%	5	0	43	n/a	0.00%	1	0.03%	5
38	Chorley & District*	Feb 2015	128	217	58.99%	0.08%	5	0.13%	10	128	217	58.99%	0.08%	5	0.13%	10
39	Buckinghamshire*	Dec 2014	250	0	n/a	0.15%	10	0.00%	1	250	0	n/a	0.15%	10	0.00%	1
40	Beverley*	Dec 2014	383	858	44.64%	0.27%	13	0.60%	13	383	858	44.64%	0.27%	13	0.60%	13
41	Holmesdale*	Mar 2015	70	85	82.35%	0.06%	4	0.07%	7	70	85	82.35%	0.06%	4	0.07%	7
42	Ecology*	Dec 2014	19	0	n/a	0.02%	2	0.00%	1	19	0	n/a	0.02%	2	0.00%	1
43	Earl Shilton*	Mar 2015	365	0	n/a	n/a	n/a	n/a	n/a	365	0	n/a	n/a	n/a	n/a	n/a
44	Penrith*	Dec 2014	57	60	95.00%	0.08%	5	0.09%	8	57	60	95.00%	0.08%	5	0.09%	8
			Total 2,799	Total 3,411	Peer Group Ratio 82.05%				Total 2,799	Total 3,411	Peer Group Ratio 82.05%					
Average of Peer Group Societies						0.11%	0.15%					0.11%	0.15%			

\* Denotes no Group: therefore Society balances included as Group

# Peer Group 3

**Table 9: Loans and Advances (4): FSOL Provisions**

Asset Ranking	Society	IFRS Year End	Group: Loans Fully Secured on Land (FSOL)						Society: Loans Fully Secured on Land (FSOL)							
			General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSOL	Rank	Specific Provision/Total FSOL	Rank	General Provision	Specific Provision	General to Specific Provision	General Provision/Total FSOL	Rank	Specific Provision/Total FSOL	Rank
			£'000	£'000	%	%		%		£'000	£'000	%	%		%	
31	Vernon	Dec 2014	94	56	167.86%	0.64%	7	0.38%	7	94	56	167.86%	0.64%	7	0.38%	7
32	Loughborough*	Oct 2014	342	377	90.72%	3.18%	12	3.50%	11	342	377	90.72%	3.18%	12	3.50%	11
33	Mansfield*	Dec 2014	34	0	n/a	1.73%	11	0.00%	1	34	0	n/a	1.73%	11	0.00%	1
34	Bath Investment	Dec 2014	94	196	47.96%	0.48%	6	1.00%	9	94	196	47.96%	0.48%	6	1.00%	9
35	Stafford Railway*	Oct 2014	4	0	n/a	0.13%	5	0.00%	1	4	0	n/a	0.13%	5	0.00%	1
36	Teachers*	Dec 2014	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
37	Swansea*	Dec 2014	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
38	Chorley & District*	Feb 2015	0	0	n/a	0.00%	1	0.00%	1	0	0	n/a	0.00%	1	0.00%	1
39	Buckinghamshire*	Dec 2014	138	0	n/a	4.57%	13	0.00%	1	138	0	n/a	4.57%	13	0.00%	1
40	Beverley*	Dec 2014	93	52	178.85%	0.96%	10	0.54%	8	93	52	178.85%	0.96%	10	0.54%	8
41	Holmesdale*	Mar 2015	32	177	18.08%	0.64%	7	3.54%	12	32	177	18.08%	0.64%	7	3.54%	12
42	Ecology*	Dec 2014	6	202	2.97%	0.06%	4	2.12%	10	6	202	2.97%	0.06%	4	2.12%	10
43	Earl Shilton*	Mar 2015	24	0	n/a	n/a	n/a	n/a	n/a	24	0	n/a	n/a	n/a	n/a	n/a
44	Penrith*	Dec 2014	13	115	11.30%	0.91%	9	8.05%	13	13	115	11.30%	0.91%	9	8.05%	13
			Total	Total	Peer Group Ratio				Total	Total	Peer Group Ratio					
			874	1,175	74.38%				874	1,175	74.38%					
Average of Peer Group Societies						1.02%	1.47%	1.02%						1.47%		

\* Denotes no Group: therefore Society balances included as Group

## Explanatory notes

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### Sources

The data is drawn from publicly available financial statements of each Society. Data on the number of branches, saving and borrowing members are drawn from the most up to date Building Societies Association Yearbook.

### Group or Society data

A mixture of Group and Society data is used in the tables. The table headings and the column headers all state clearly whether data is 'Group' or 'Society'. The statutory ratios extracted directly from each Society's Annual Business Statement will be 'Group' where a Society has subsidiary undertakings; otherwise these will be 'Society' only.

Asterisks (\*) are used to identify Societies that are not Group Societies and therefore Society data is included as Group data.

### Averages

For each page of statistics an average for each ratio is provided. This is calculated from the Societies on that particular page and are all presented as simple averages.

### Terminology

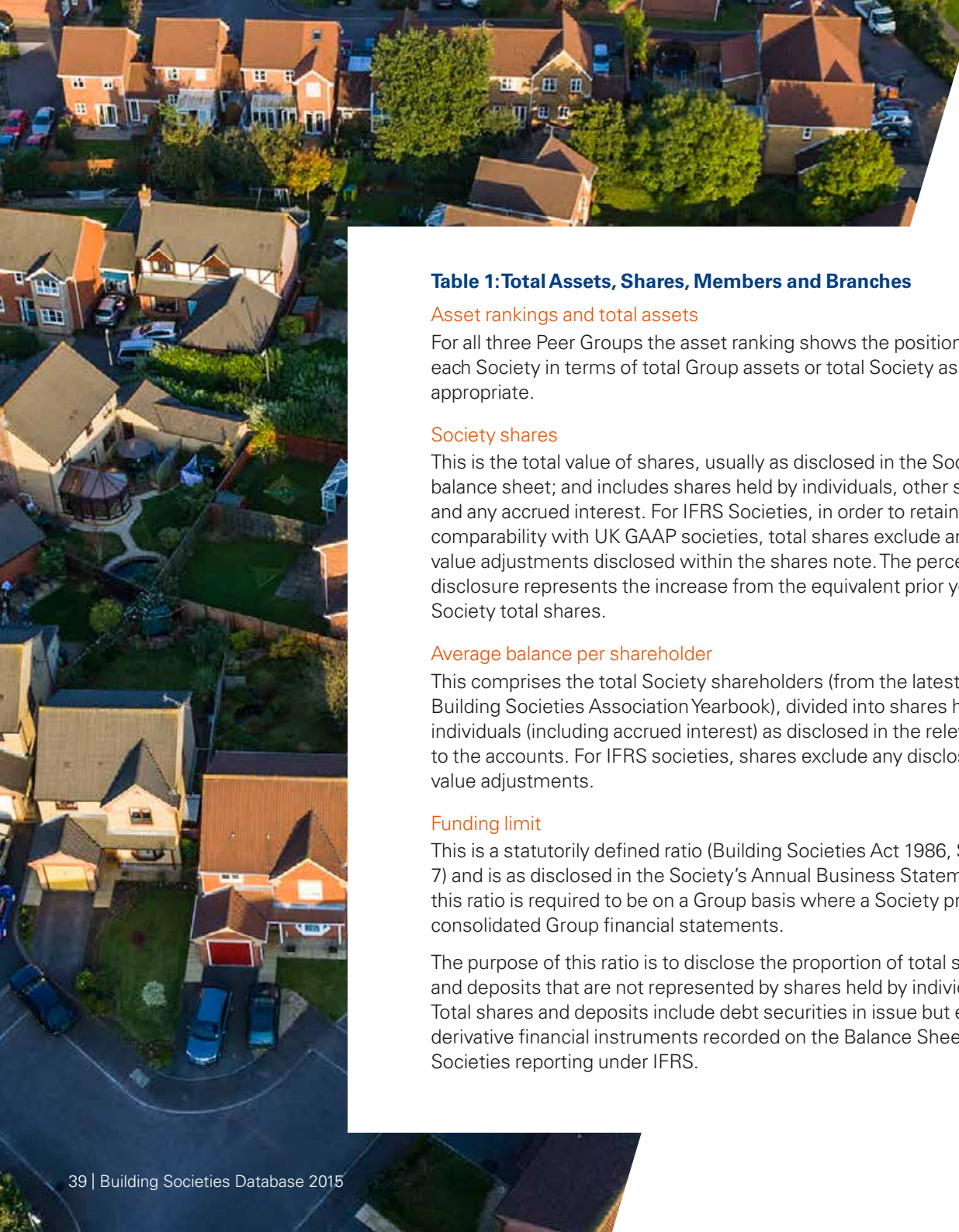
In these explanations:

- 'Income and Expenditure Account' includes 'Income Statement' for an IFRS Society.
- 'Balance Sheet' includes 'Statement of Financial Position' for an IFRS Society.

### Rankings

Where given, rankings have been calculated using absolute numbers, whereas the figures used to calculate the rankings have been rounded for presentational purposes. As a result, Societies with balances that appear identical may be assigned different ranks.





## Table 1: Total Assets, Shares, Members and Branches

### Asset rankings and total assets

For all three Peer Groups the asset ranking shows the position of each Society in terms of total Group assets or total Society assets as appropriate.

### Society shares

This is the total value of shares, usually as disclosed in the Society balance sheet; and includes shares held by individuals, other shares and any accrued interest. For IFRS Societies, in order to retain comparability with UK GAAP societies, total shares exclude any fair value adjustments disclosed within the shares note. The percentage disclosure represents the increase from the equivalent prior year Society total shares.

### Average balance per shareholder

This comprises the total Society shareholders (from the latest available Building Societies Association Yearbook), divided into shares held by individuals (including accrued interest) as disclosed in the relevant note to the accounts. For IFRS societies, shares exclude any disclosed fair value adjustments.

### Funding limit

This is a statutorily defined ratio (Building Societies Act 1986, Section 7) and is as disclosed in the Society's Annual Business Statement; this ratio is required to be on a Group basis where a Society prepares consolidated Group financial statements.

The purpose of this ratio is to disclose the proportion of total shares and deposits that are not represented by shares held by individuals. Total shares and deposits include debt securities in issue but exclude derivative financial instruments recorded on the Balance Sheets of Societies reporting under IFRS.

### Liquid assets

This ratio is as disclosed in the Annual Business Statement: this will be on a Group basis where a Society prepares Group accounts.

The ratio basis is also disclosed in the Annual Business Statement and comprises liquid assets, as disclosed in the Balance Sheet as a percentage of total shares and deposit liabilities. Liquid assets include any debt securities held but exclude derivative financial instruments recorded on the Balance Sheets of Societies reporting under IFRS.

Total shares and deposits include any debt securities in issue but, for IFRS societies, exclude derivative financial instruments.

### Data source for society branches and shareholding and borrowing members

These are taken from the latest available Building Societies Association Yearbook.

### Branches

Where a Society does not have any branches and therefore carries out all its business from its principal office, this is regarded as being a single branch. Therefore all Societies are regarded as having at least one branch and this basis is used in all ratios based on the number of Society branches. Branches of subsidiary companies, for example estate agencies, are ignored for these purposes.

**Table 2: Group or Society Profitability Ratios**

Asterisks (\*) are applied to those Societies that are not Group Societies and therefore Society profitability data is included as Group data.

**Exceptional items**

Where the consolidated Income and Expenditure Account in the case of Group Societies or the individual Income and Expenditure Account of non-Group Societies discloses an exceptional item other than the FSCS Levy, this is denoted by an 'X' in this column. In such cases, key profitability measures can be distorted and reference should be made to the relevant published accounts.

**Group profit for the year**

Profit for the year is always the bottom line profit for the year; after all charges, exceptional items, taxation and extraordinary items.

**Group or Society profit for year/mean assets**

This is the ratio as disclosed by Societies in the Annual Business Statement. Where a Society does not have subsidiaries, this will be a Society only ratio.

**Group net interest margin as a percentage of mean assets**

This is Group net interest receivable expressed as a percentage of the simple average of the Group's total assets as at the end of the current and preceding years. For IFRS Societies this ratio uses the equivalent term net interest income.

**Group cost to income ratio**

This ratio expresses the recurring administrative expenses plus depreciation and amortisation as a percentage of total income.

Recurring administrative expenses exclude any exceptional administrative expenses that may be disclosed on the face of the Income and Expenditure Account but include any such exceptional

costs that may be disclosed in the notes to the accounts. For IFRS societies, where separately disclosed, the caption includes amortisation of intangible assets.

Total income consists of net interest receivable plus all the component parts of other income and charges, including income from associated bodies and where stated, income from investments. Total income for this ratio is generally the sub-total before administrative expenses. Therefore total income also includes pension finance charges and, for IFRS societies, any gains or losses relating to financial instruments disclosed after net interest income.

In order to assist comparability, when a Society discloses other operating charges (after administrative expenses) these are deducted from total income for the purpose of this cost to income ratio only. To avoid doubt, other operating charges are not included in the 'cost' side of the cost to income ratio, but included instead as negative income.

**Group management expenses as a percentage of mean assets**

This is Group management expenses (as defined below) expressed as a percentage of the simple average of the total Group assets as at the end of the current and preceding years. This is referred to as 'ManEx' in the table.

Management expenses comprise recurring administrative expenses plus depreciation as disclosed on the face of the Group Income and Expenditure Account. For IFRS societies, the equivalent captions are used together with amortisation of intangible assets where disclosed.

Management expenses exclude other operating charges. In order to assist comparability any exceptional or extraordinary administrative expenses shown separately on the face of the Income and Expenditure Account are excluded. Immaterial exceptional expenses disclosed within the administrative expenses note are included in the ratio calculation.



#### Group management expenses, less other income, as a percentage of mean assets

This is management expenses (ManEx), less other income and charges (see definition below), expressed as a percentage of the simple average of the total Group assets as at the end of the current and preceding years.

For this particular ratio, other income and charges comprise of income from investments and income from associated bodies (where disclosed), plus fees and commissions receivable, plus other operating income, less pension finance charge and less fees and commissions payable and also less other operating charges where these are disclosed. For IFRS societies, any gains or losses relating to financial instruments disclosed after net interest income, but before management expenses, are also included as other income.

#### Group mortgage loss provisions charge/(credit) for year divided into recurring profit pre-provision

This is the charge relating to provisions for mortgage losses as shown on the face of the Income and Expenditure Account, expressed as a percentage of the recurring profit before such provisions. For IFRS Societies the tables use the equivalent impairment loss caption.

Some Societies include provisions against other items in an overall 'Provisions' caption: in such cases the tables only includes the actual mortgage loss or impairment provisions, as disclosed in the relevant note. A negative ratio indicates a mortgage loss or impairment provision credit to the Income and Expenditure Account, caused either by excess recoveries or by the Society reducing the total mortgage loss provisions.

Where practicable and to facilitate comparability, the profit/(loss) pre-provision is the recurring profit/loss – i.e. adjusted to exclude the effect of any exceptional charges or credits disclosed above that caption.

#### Recurring profit including mortgage loss provisions

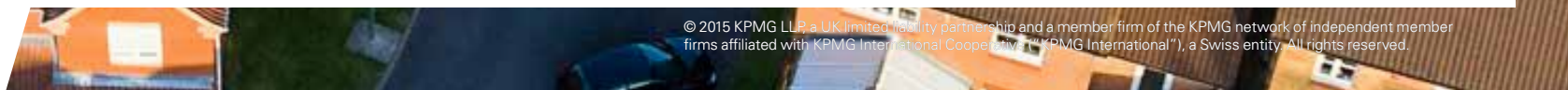
As the title states 'recurring profit' is taken after mortgage loss provisions are charged or credited. Where practicable and to facilitate comparability, recurring profit is adjusted to exclude the effect of any exceptional charges or credits disclosed above that caption.

#### FSCS Levy Charge or (credit) and Provision

This disclosure refers to the Financial Services Compensation Scheme (FSCS). The level of FSCS provision between Societies reporting to 31 December year ends and those reporting to earlier balance sheet dates will not be comparable as a liability to contribute to the scheme is triggered by market participation at 31 December.

The Levy charge or (credit) is the Group or Society charge or credit as disclosed in the Income and Expenditure Account.

The Provision is as disclosed on a Society's Balance Sheet or within a provisions note to the accounts.



### Table 3: Group or Society Reserves and Capital

Asterisks (\*) are used to identify societies that are not group societies and therefore the Society reserves and capital are included as Group data.

#### Reserves

Reserves are disclosed on a consolidated basis for Societies preparing Group financial statements and on a Society only basis for those Societies without subsidiaries. 'IFRS reserves' are only applicable to those Societies reporting under IFRS and represent the sum of the Available for Sale reserve and the Cash flow hedging reserve.

'Other reserves' represent the sum of all other reserves and minority interests as disclosed on the face of the balance sheet.

#### Group total reserves to total assets

This ratio is a Group ratio where Group accounts are prepared and is calculated including revaluation reserves, IFRS reserves, other reserves and minority interests, where relevant.

#### Prior year total reserves

These are on the same basis as the current year total reserves.

#### PIBS and Subordinated debt

Permanent Interest Bearing Shares (PIBS) and subordinated debt are presented as on the face of the balance sheet, less any unamortised issue costs and fair value adjustments disclosed within the relevant notes to the financial statements.

#### Gross and free capital ratios

These ratios are as disclosed in a Society's Annual Business Statement and are Group ratios for a Group accounts Society. The bases for the gross and free capital ratios are defined in the Building Societies Accounts Regulations (Schedule 9(2) and Schedule 11(3)).

Gross capital comprises all reserves (including all IFRS reserves), subordinated debt, PIBS, Profit Participating Deferred Shares and minority interests.

Free capital comprises gross capital plus general/collective mortgage loss provisions, less tangible and intangible fixed assets and investment properties.

Gross and free capital are required by the Accounts Regulations to be expressed as a percentage of total share and deposit liabilities, including debt securities in issue, but excluding derivative financial instruments.



#### Table 4: Society Profitability Ratios

These are all society only ratios.

##### Exceptional items

Where a Society has exceptional items within its Income and Expenditure Account – other than the FSCS Levy – then this is denoted by an 'X' in this column. In such cases, key profitability measures can be distorted and reference should be made to the relevant published accounts. The ratios stated within this publication exclude such exceptional items.

##### Society profit for the year

Profit for the year is always the bottom line profit for the year: i.e. after all charges, exceptional items, taxation and extraordinary items.

##### Society net interest margin as a percentage of mean assets

This is net interest receivable expressed as a percentage of the simple average of the Society's total assets as at the end of the current and preceding years. For IFRS societies the equivalent caption of net interest income is used.

##### Society interest receivable as a percentage of mean FSRP

Interest receivable comprises the specific caption 'On loans fully secured on residential property' within interest receivable and similar income. Interest receivable on FSRP loans has been calculated as net of net income or expense on financial instruments, as disclosed in the same note.

Mean FSRP is the mean of the current year and prior year gross FSRP, i.e. after adding back FSRP provisions. For IFRS societies, any fair value amounts disclosed in the Loans/FSRP Note are excluded in order to maintain comparability with UK GAAP societies.

Nationwide does not disclose comparable data for this disclosure and, therefore, is indicated as 'n/a'.

##### Society interest payable as a percentage of mean shares

Interest payable comprises the interest caption 'On shares held by individuals within interest payable and similar charges. Interest payable on shares held by individuals' has been calculated as net of net income or expense on financial instruments, as disclosed in the same note.

Mean shares are the mean of the current and prior year total shares held by individuals as disclosed in the relevant note to the accounts. For IFRS societies, any fair value amounts disclosed in the Shares Note are excluded, in order to maintain comparability with UK GAAP societies.

##### Society interest spread for members

This is the difference achieved by deducting the ratio for interest payable on shares from the ratio for interest receivable from FSRP loans: the result being the interest spread on member transactions.

##### Society other income and charges divided into total income

This ratio expresses other income and charges as a percentage of total income. Other income and charges includes every caption after net interest receivable (for IFRS societies – net interest income) but before management expenses, for both UK GAAP and IFRS societies.

Total income comprises net interest receivable plus all the component parts of other income and charges, as explained above. Total income will normally be the sub-total before administrative expenses.

#### Society cost to income ratio

This ratio is on the same calculation basis as the Group cost to income ratio (see above) except that there may be some income from investments or subsidiaries also included within total income.

#### Society mortgage loss provisions charge (credit) divided into profit pre-provision

This is the charge relating to provisions for mortgage losses as shown on the face of the Income and Expenditure Account, expressed as a percentage of the recurring profit before such provisions. For IFRS societies Database uses the equivalent impairment captions.

Some societies include provisions against other matters in an overall 'Provisions' caption: in such cases Database only includes the actual mortgage loss or impairment provisions, as disclosed in the relevant note. A negative ratio indicates a mortgage loss or impairment provision credit to the Income and Expenditure Account, caused either by excess recoveries or by the Society reducing the total mortgage loss provisions. Where practicable, and to facilitate comparability, the profit/(loss) pre-provision is the recurring profit/(loss) – i.e. adjusted to exclude the effect of any exceptional charges or credits disclosed above that caption.

#### Society management expenses

This comprises the recurring administrative expenses plus depreciation as disclosed on the face of each Society's Income and Expenditure Account. For IFRS societies, the equivalent captions include, where disclosed, amortisation of intangible assets. To avoid doubt, management expenses exclude other operating charges where disclosed by a Society.

To assist in comparability any exceptional or extraordinary administrative expenses shown separately on the face of the Income and Expenditure Account have been excluded. Immaterial exceptional expenses disclosed within the administrative expenses note are included in the ratio calculation.

#### Society management expenses as a percentage of mean assets

This is recurring management expenses (see Society management expenses) expressed as a percentage of the simple average of the total Society assets as at the end of the current and preceding years.

#### Society management expenses, less other income, as a percentage of mean assets

This is management expenses (see Society management expenses), less other income and charges (defined below), expressed as a percentage of the simple average of the total Society assets as at the end of the current and preceding years. For this particular ratio, other income and charges comprise of income from investments, or associates, or subsidiaries (where disclosed), plus fees and commissions receivable, plus other operating income, less pension finance charge, less fees and commissions payable and also less other operating charges where these are disclosed. For IFRS societies, any gains or losses relating to financial instruments disclosed after net interest income, but before management expenses, are also included as other income.

### **Table 5: Society Staff Ratios, Pension Costs and Pension Disclosures**

The staff numbers, staff costs and pension costs are all Society only ratios: however, the Pension Scheme deficit/surplus and key assumptions disclosures are Group unless a Society does not have subsidiary undertakings.

#### **Total number of staff**

Staff numbers are calculated on the basis that two part-time staff are equivalent to one full-time staff member. Staff numbers include executive directors when shown separately but exclude non-executive directors if shown separately. Society branch staff are included, but all subsidiary staff are ignored, where disclosed. Some societies do not disclose their part-time staff numbers, which may result in a comparatively higher number of staff being disclosed than for those societies that do provide such analysis.

#### **Society pension costs**

These are the Society's other pension costs as a percentage of Society total wages and salaries. This is not as a percentage of total staff costs.

#### **Group Retirement Benefit/Defined Benefit Pension Scheme disclosures**

This information is obtained from a Society's accounting policy and retirement benefits/pensions note. Where it is not clear that a Society has closed its defined benefit scheme to new entrants, it is recorded as still open. The defined benefit asset or liabilities is stated before the effect of deferred tax is included. The gross defined benefit pension scheme deficit or surplus for all societies is also expressed as a percentage of Group general reserves.

Where a Society has disclosed both the RPI and CPI inflation assumption used in calculating the defined benefit pension scheme asset or liability, the Database only discloses the RPI inflation assumption.

### **Table 6: Loans and Advances (1): Group Lending and Provisions**

With effect from the April 2010 published accounts, Nationwide Building Society ceased to analyse its lending as FSRP, FSOL and Other and is no longer comparable to other building societies in this respect: therefore Nationwide is indicated as 'n/a' in most of Tables 5 to 8.

Asterisks (\*) are applied to those Societies that are not Group Societies and therefore Society profitability data is included as Group data.

#### **Lending limit**

This is a statutorily defined ratio (Building Societies Act 1986, Section 6) and is as disclosed in the Annual Business Statement: this ratio is required to be disclosed on a Group basis where a Society prepares Group accounts.

The purpose of this ratio is to disclose how much of a Society's 'Business Assets' are not loans fully secured on residential property. As the statutory limit is 25%, this means that at least 75% of a Society's Business Assets must comprise loans fully secured on residential property. Business Assets are defined as total lending plus certain sundry assets (but not liquid or fixed assets). A higher Lending Limit percentage disclosure indicates a higher proportion of lending other than loans fully secured on residential property. Conversely, a lower lending limit ratio indicates a Society with a higher proportion of loans fully secured on residential property.

### Group or Society gross mortgage lending

This is Group gross mortgage lending in the year, extracted as disclosed either in the Directors' Report, or elsewhere from the 'front end' of the accounts package, or, in some cases, by KPMG enquiry to the Society. Where a Society does not have subsidiaries then this is a Society only disclosure. This data excludes any mortgage book acquisitions where a Society discloses such acquisitions and states that they have been included within the gross lending disclosure.

Gross mortgage lending is expressed as a percentage of prior year total Group or Society mortgage assets in the balance sheet i.e. FSRP plus FSOL plus Other loans. For IFRS societies, any fair value amounts disclosed in the notes are excluded from the total loan numbers.

### FSRP loans, FSOL loans and Other loans

These are the total loan categories as disclosed in the Group balance sheet. For IFRS societies, this excludes any related fair value amounts that are disclosed within the relevant notes. The percentage disclosure is the increase from the prior year equivalent Group total FSRP, FSOL or Other loans.

### Accounts 12 or more months in arrears

In all cases this figure is extracted from the Directors' Report. The disclosure is required by the Building Societies Accounts Regulations to be within the Directors' Report and to be a Group disclosure where applicable.

### Total year end mortgage loss provisions

This comprises the total provisions against loans and therefore includes mortgage loss provisions relating to FSRP, FSOL and Other loans. Such provisions do not include any 'other provisions' that

may be disclosed in the provisions note to the accounts, nor any provisions against loans and advances to credit institutions. The total mortgage loss provisions include both general and specific mortgage loss provisions.

### Charges and provisions expressed as a proportion of FSRP and FSOL

In this table the charges or credits to income are as disclosed in the mortgage loss or impairment provision tables and ignore any subsequent adjustments that may be made in arriving at the charge or credit to income, for example relating to recoveries.

The charges and provisions are expressed as a proportion of the gross FSRP and FSOL balances.

### Table 7: Loans and Advances (2): Society Provisions

With effect from the April 2010 published accounts, Nationwide Building Society ceased to analyse its lending as FSRP, FSOL and Other and is no longer comparable to other building societies in this respect: therefore Nationwide is indicated as 'n/a' in most of Tables 5 to 8.

This table displays Society only data. The definitions of the ratios included in this table are the same as those for the equivalent Group data in Table 6, above.

### Number of Society borrowers

The number of Society borrowers is as disclosed by the Society in the most recent Building Societies Association Yearbook.





### **Table 8: Loans and Advances (3): FSRP Provisions**

Tables 8 and 9 are intended to assist societies in comparing their Group and Society general and specific mortgage loss provisions to industry standards.

Asterisks (\*) are applied to those Societies that are not Group Societies and therefore Society profitability data is included as Group data.

The Peer Group ratio disclosures for FSRP and FSOL are the total Peer Group general mortgage loss provisions as a percentage of the total Peer Group specific mortgage loss provisions. Therefore these are not simple averages of the individual Group ratios.

For IFRS Societies collective impairment provisions have been input as general provisions and individual impairment provisions as specific provisions. The ratios are expressed as a proportion of the Gross FSRP balances, before deduction of loss provisions. For IFRS Societies the gross balance is before the inclusion of any fair value adjustments in respect of hedged risk.

### **Table 9: Society Loans and Advances (4): FSOL Provisions**

Asterisks (\*) are applied to those Societies that are not Group Societies and therefore Society data is included as Group data.

The Peer Group ratio disclosures for FSRP and FSOL are the total Peer Group general mortgage loss provisions as a percentage of the total Peer Group specific mortgage loss provisions. Therefore these are not simple averages of the individual Society ratios; this is a different basis from the simple averages as used for the general and specific FSRP and FSOL provisions to total FSRP or FSOL loans.





**KPMG continues to pride itself on its commitment to the Building Society sector across audit, tax and advisory. If you would like to discuss any issues facing your Society please contact:**

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