



Building Societies Database 2008

FINANCIAL SERVICES

Building Societies Database 2008

I am pleased to introduce the eighteenth edition of KPMG's annual Building Societies Database.

Database summarises, in a series of tables of statistics, ratios and rankings, the financial performance of all the current UK building societies.

If readers would like to know more about the wider services which KPMG provides to the retail financial sector, please contact me in Leeds at the address below.

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Introduction



Database 2008 provides financial information relating to all the current 59 building societies in the United Kingdom.

All data for building societies has been extracted from published sources, being primarily the latest financial statements of the societies for financial year ends between August 2007 and April 2008. Numbers for branches, borrowing members and investing members are as published in the Building Societies Association Yearbook 2007/2008.

Number of societies

Database 2008 comprises 59 societies, compared to 60 in Database 2007. The reduction is due to Portman Building Society having merged into Nationwide on 28 August 2007.

At the date of publication of Database 2008, one further merger had been announced, being: Catholic (no 57) into Chelsea (no 5), with the merger date expected for later in 2008 subject to approval by the Catholic's members and the FSA.

Total sector group and society assets

In Database 2008 the 59 societies hold total group assets of £354.2 billion, compared to Database 2007 total group assets of £313.1 billion. Total group assets have increased by £41.1 billion, an increase of 13.1% (2007: 12.1%).

Total sector asset movements are analysed as follows:

| | Group £bn | Society £bn |
|---|--------------|----------------|
| Database 2007 total assets | 313.1 | 309.3 |
| Growth in year | 41.1 | 40.8 |
| Database 2008 total assets | 354.2 | 350.1 |
| Sector asset growth – 2007 to 2008 | 13.1% | 13.2% |
| Prior year sector asset growth – 2006 to 2007 | 12.1% | 13.7% |

Of the 2008 total sector asset growth, £21.6 billion has come from Nationwide (Database 2007: £16.8 billion). Nationwide's total growth from 2007 was £41.6 billion (30.3%), of which £20 billion was from the merger with Portman, with the balance of organic growth being £21.6 billion (15.7%). Total sector asset growth, excluding Nationwide, was 13.5% (2007: 10.7%).

The greater sector society-only growth for 2006 to 2007 arose mainly from significant additional investment in subsidiary undertakings by Nationwide and Yorkshire.

As a result of its merger with Portman in 2007, Nationwide remains the largest society with £179.0 billion total assets, which represents 50.5% of total building society group assets (Database 2007: 44%). Britannia, the second largest society with £36.8 bn total assets, comprises 10.4% of total building society group assets (2007: 11.2%). Taken together, therefore, the two largest societies now hold 61% of the total sector assets.

Asset groupings

The 59 building societies are grouped into three Peer Groups, based on asset size and ranked within each Peer Group. There have been no changes in the Peer Groups from Database 2007.

Total Assets analyses

We provide below a Table showing the increases in total assets from Database 2007, by Peer Groups.

Because of its relative size, we have shown Nationwide separately in this Table and we have also provided Totals both including and excluding Nationwide. To facilitate comparison, the Database 2007 Total Assets have been adjusted by aggregating Portman with Nationwide.

| Database 2008: Analysis of Total Assets growth by Peer Groups | | | | | | | |
|---|-----------------|--------------------|------------------|----------|----------------------|------------------|----------|
| | | Group Total Assets | | | Society Total Assets | | |
| | Society numbers | Database 2008 £m | Database 2007 £m | Growth % | Database 2008 £m | Database 2007 £m | Growth % |
| Nationwide | 1 | 179,026.6 | 158,659.3 | 12.84% | 178,482.1 | 159,892.2 | 11.63% |
| PG 1 excl N | 20 | 162,314.5 | 142,527.4 | 13.88% | 158,767.6 | 137,542.7 | 15.43% |
| PG 2 | 23 | 11,225.1 | 10,343.1 | 8.53% | 11,194.0 | 10,341.6 | 8.24% |
| PG 3 | 15 | 1,667.0 | 1,541.6 | 8.13% | 1,667.0 | 1,541.4 | 8.15% |
| Total | 59 | 354,233.2 | 313,071.4 | 13.15% | 350,110.7 | 309,317.9 | 13.19% |
| Total excl N | 58 | 175,206.6 | 154,412.1 | 13.47% | 171,628.6 | 149,425.7 | 14.86% |

The key feature is that 36 societies have reported group or society asset growth of greater than 10%, including 18 in Peer Group 1, 10 in Peer Group 2 and 8 in Peer Group 3.



Total Profits analyses

We also provide an analysis of total profits increases from Database 2007 by Peer Groups.

Again, because of its relative size, we have shown Nationwide separately in this Table and have also provided Totals both including and excluding Nationwide. To facilitate comparison, the Database 2007 Total Profits have been also adjusted by aggregating Portman with Nationwide.

| Database 2008: Analysis of Total Profits growth by Peer Groups | | | | | | | |
|--|-----------------|---------------------------|--------------------|----------|-----------------------------|--------------------|----------|
| | | Group Profits of the year | | | Society Profits of the year | | |
| | Society numbers | Database 2008 £000 | Database 2007 £000 | Growth % | Database 2008 £000 | Database 2007 £000 | Growth % |
| Nationwide | 1 | 495,300 | 527,700 | (6.14%) | 554,400 | 751,000 | (26.18%) |
| PG 1 excl N | 20 | 482,403 | 494,904 | (2.53%) | 431,697 | 389,765 | 10.76% |
| PG 2 | 23 | 38,758 | 31,960 | 21.27% | 40,451 | 31,259 | 29.41% |
| PG 3 | 15 | 6,866 | 5,745 | 19.51% | 6,842 | 5,703 | 19.97% |
| Total | 59 | 1,023,327 | 1,060,309 | (3.49%) | 1,033,390 | 1,177,727 | (12.26%) |
| Total excl N | 58 | 528,027 | 532,609 | (0.86%) | 478,990 | 426,727 | 12.25% |

The reduction in profits has arisen mainly due to a combination of reduced interest margins in the more competitive environment, increases in the quantum of management expenses and some increases in mortgage loss provisions, the latter mainly on group lending.

Interestingly, however, despite 45 societies reporting increases in their management expenses, 50 societies have reported a stable or reduced management expenses ratio to mean assets – due to the strong asset growth referred to above.

Note that society profits can be distorted by dividends and other income from subsidiary undertakings. Note also that these are the bottom line profits and therefore include all exceptional and extraordinary items. In this context, when comparing overall profit performance between societies, it should be noted that the bottom line group and society profits of the following societies have been significantly affected by exceptional or unusual items:

- Adversely: Derbyshire, Cheshire, Dunfermline and Melton Mowbray;
- Positively: Derbyshire, Saffron and Marsden.

Further details of such matters can be obtained from the accounts of these societies, all of which are available on their websites.

Group versus society data

As in recent years, users of Database need to be aware that some Tables analyse group data, whereas a number are society only data. Each Table makes this clear at the top of the relevant sections.

Note in particular that in Table 2b, Group Reserves and Capital, the information is all group, except when a society does not have any subsidiary undertakings and, therefore, the reserves and capital data is for the society only.

Bases of the ratios

The detailed bases for all data, statistics and ratios are set out in the Explanations section at the back of Database.

Minor change to the Tables for Database 2008

We have not seen any need to make any significant format or Table changes for Database 2008.

However, we have made one minor change to the basis of the Interest Spread for Members data in Table 3. The Interest Receivable on FSRP Loans and Interest Payable on Shares held by Individuals is all now calculated net of Net income or expense on financial instruments, as disclosed in the same Notes. This means that the Interest Spread data is not fully comparable with that disclosed in previous years' Databases.

IFRS societies: notes on data inputs

IFRS societies are indicated on each Table with an "I". The majority are in Peer Group 1, with one society, Manchester, in Peer Group 2.

In order to retain IFRS societies within the Database Peer Group structure and to maintain comparability with UK GAAP societies, we apply the following principles to the input process:

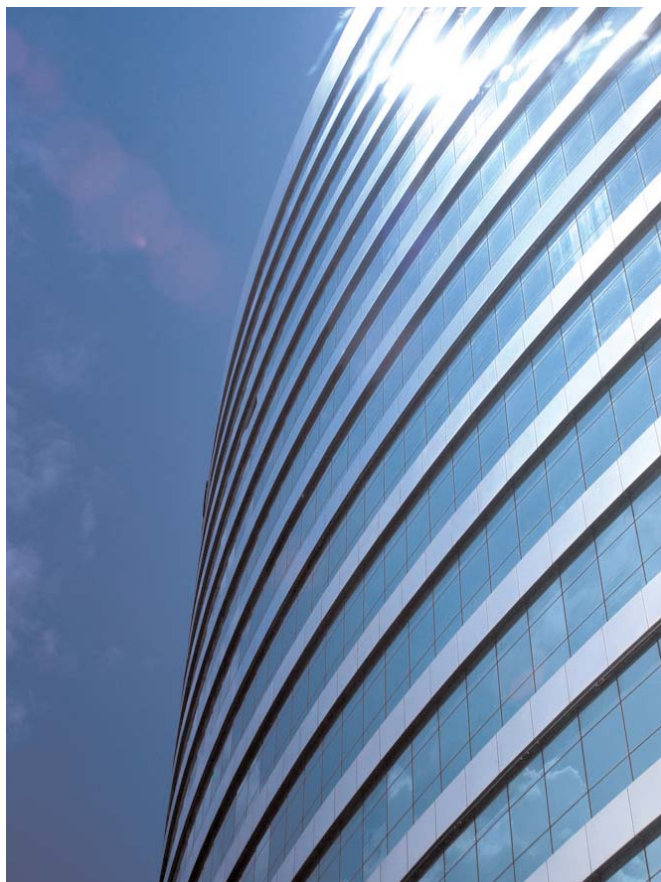
- Net interest income is input, unadjusted, as net interest receivable;
- All fair value/gains/losses relating to derivatives etc and disclosed after net interest income, are input as part of other income;
- Collective impairment provisions are input as general mortgage loss provisions;
- Individual impairment provisions are input as specific mortgage loss provisions;
- Retirement benefit obligations: the surpluses or deficits on defined benefit pension schemes, as disclosed under IAS19, are input to Table 4 net of deferred tax at 28%, to maintain comparability with UK GAAP societies, which disclose these in the balance sheet net of deferred tax;
- All IFRS reserves are input as one number and shown separately in Table 2b.

Fair value adjustments: again, in order to maintain comparability with UK GAAP societies, FSRP loans, FSOL loans, Other loans and Shares are all input, as far as society disclosures permit, excluding any fair value/ hedge adjustments, where such adjustments are disclosed within the relevant notes.

IFRS societies should be aware that, due to differences in the detail of their disclosures, we have made some assumptions as regards certain analyses in their Notes. Where we did not consider that a reasonable assumption was possible we have input these as "n/a". In particular a number of IFRS societies have not disclosed full analyses of their FSRP/FSOL impairment provisions or analyses of such provisions between collective and individual provisions.

In order to maintain comparability between IFRS societies and with UK GAAP societies, it would be helpful if all IFRS societies could clearly disclose the following for group and society and for current and prior years:

- Balance sheet loans analysed between FSRP, FSOL and Other Loans;
- Impairment provisions analysed between FSRP, FSOL and Other Loans;
- The above impairment provisions also analysed between collective and individual;
- Fair value adjustments, when included in the relevant Notes, analysed between FSRP, FSOL and Other Loans;
- Interest receivable on FSRP lending.



Gross group mortgage lending (Table 5)

The Database disclosure is gross group mortgage lending where we have been able to identify this in a society's accounts, usually in the Directors' Report. Database also discloses this lending as a percentage of prior year total group mortgage assets in the balance sheet (again, for IFRS societies, excluding any fair value / hedge adjustments). Where a society does not have subsidiaries then this is a society only disclosure.

Note that gross group mortgage lending, as used in Database, 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 a voluntary disclosure, but almost all societies now make this disclosure as it is one of any lender's key performance indicators. To enable the Database disclosure to be as accurate and consistent between societies as possible, it would be helpful if all societies could clearly disclose gross group mortgage lending in the year and quantify of any mortgage book acquisitions that may be included within this figure.

Exceptional costs and income

To facilitate performance comparisons between societies, Database does not include, in the detailed Group and Society profitability ratios, any exceptional costs or income shown separately on the face of the Income and Expenditure Account. However, any such items identified within Notes to the Accounts are included within the relevant Database ratio calculation.

Societies should note, however, that the Group and Society profits for the year, being the first column in Tables 2a and 3, are all the bottom line profits for the year: ie after all ordinary and exceptional costs and income of whatever nature and taxation.

Contacts for further information

For further information on any aspects of Database 2008 please contact Richard Gabbertas, Partner, or Paul Boothroyd, Senior Manager, in KPMG Financial Services.

Responsibility

Whilst reasonable steps have been taken to help ensure the accuracy of the information contained in Database, KPMG LLP accept no responsibility for any errors contained therein and there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

Paul Boothroyd

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Current Market Outlook

Introduction

The impact on banks of the turbulence in financial markets over the last year is all too apparent with profit warnings, rights issues and in one extreme case failure. By contrast, building societies appear to have weathered the storm comparatively well so far. Database shows that last year many societies had strong growth in profits and assets and had controlled costs well. The question is does the rapidly deteriorating housing market hold the portents for another storm that will batter mortgage banks and building societies harder?

A deteriorating economy and housing market raise two direct concerns for mortgage banks and societies:

- The risk of deterioration in asset quality through rising arrears and rising losses on repossessions, with consequent losses flowing through into the profit and loss account
- The need for more capital as house prices fall as a consequence of the models built to support the advanced approach to Basel 2.

There are also a number of related issues that arise, including:

- How do building societies as mutuals access additional capital

- Will credit ratings fall further and to what effect
- Impact of competition from the clearing banks and Abbey
- Operational strain on management
- Cost of retail funds in a very competitive market.

Asset quality

The initial cause of financial turmoil in banks was not the quality of their own lending, but the exposure to US sub prime lending via asset backed bonds held within treasuries. Societies typically have much more conservative approaches to treasury management than banks and so on the whole suffered far less from write downs in treasury asset values. With less exposure to the risks of asset backed securities within their treasuries and a strong retail franchise, societies have also ridden out the liquidity crisis with rather less difficulty than the mortgage banks and have generally now lengthened the average duration of their funding.

With house prices on the slide and the economy showing signs of strain the focus of attention is moving from treasury assets to balance sheet lending. Unlike the crisis of the early 1990s, societies' commercial lending is thus far showing only modest signs of strain, and other than Nationwide, societies have little exposure to unsecured lending and credit cards so attention is very much focused on residential mortgage lending.

Societies' prime residential and buy to let lending is showing little sign of stress or cause for concern. Unsurprisingly, the part of the mortgage market that is showing some strain is sub prime lending, especially non status high LTV lending. Such business has rarely been written by societies directly onto their own balance sheet, but some societies have written it via subsidiaries and others have bought it in from specialist lenders. This leaves the majority of societies with mortgage assets in good shape with probably only a handful of societies that have material exposure to potentially stressed lending.

Basel 2

Basel 2, which has been implemented over the last 18 months, introduced a new level of sophistication to how banks and building societies calculate the amount of capital they require. The emphasis is on the modelling of how a lender's credit portfolio will perform under stress and ensuring that there is sufficient capital to meet the forecast credit losses that arise from the stressed scenarios. As house prices fall and the economy deteriorates the amount of capital needed to cover the stressed scenarios rises. The impact is particularly marked on those institutions that adopted the advanced approach.



The rising capital requirements from Basel 2, coupled with the reductions in capital available due to sub prime loss write downs, has been at least in part behind the recent round of capital raising by banks. Societies being generally better capitalised than banks and not being exposed to large treasury losses have not needed to raise fresh capital. If house prices continue to fall, societies' Basel 2 models will, however, begin to project a rising need for capital, particularly at those societies that have adopted the advanced approach to Basel.

For many societies a combination of high liquidity levels and a desire to protect capital ratios is likely to result in a focus on making the most of their resources by limiting asset growth or even shrinking and by working hard to manage arrears and losses on repossession. As a result, 2008 and probably 2009 too will see societies as a whole limit their share of new lending and see market share taken by banks. Basel 2 models are very sensitive to the level of arrears and to the size of losses that ultimately arise when a house is repossessed. Well managed societies are rapidly improving their collections processes and looking at how repossessed properties are managed and sold. Many of the lessons and skills hard learned on how to manage repossessed properties in the early 1990s are being relearned now.

With the prospect of rising credit losses, well run societies are hunkering down to protect profitability, slowing or stopping discretionary spending and tightening belts all round.

The savings side of the balance sheet

The credit crunch and the subsequent difficulty in raising long term wholesale money have reignited interest in retail savings. Societies have worked hard to reduce wholesale funding, increase the maturity profile of what remains and increase liquidity. This has increased societies' need for retail savings at a time when banks, other than the clearing banks, have also wanted more retail savings and this has led to something of a bonanza for savers. Demand is especially strong for fixed term savings such as bonds that help institutions push the maturity profile of their funding further out, replacing longer term wholesale money that has either been unobtainable or very expensive. The Bank of England's special liquidity facility seems as yet to have had little impact on demand for retail savings.

With wholesale and retail funding costing more and the additional cost of carrying higher liquidity, societies' margins are under pressure despite the rising prices of new mortgage lending. The pressure has been increased by the rising popularity of base rate tracker mortgage products sold in recent years, many of which are paying less than LIBOR. Continued margin pressure, combined with the prospect of limited or no balance sheet growth for this and next year, will increase pressure on profitability and encourage further cost reduction activity.

Management and operational strain

The rating agencies have reacted to the credit crunch by downgrading financial institutions and building societies have not escaped this trend. So far none have been reduced below "A" grade, the point at which some organisations typically stop investing their cash with an institution. With asset quality, measured by arrears levels, and profitability being two key components of maintaining a rating, there is pressure on societies to manage arrears strongly and keep costs under control.

Against the background of credit rating agencies regularly reviewing performance, increased regulatory interest following Northern Rock's failure and significant profit

challenges from margins and credit losses, societies' management are under considerable pressure. There are also significant operational challenges to manage; with mortgage sales, distribution and underwriting teams quiet and limited commercial lending activity there are painful decisions to be taken around capacity. In contrast, there is growing need for strong arrears management. Experience suggests that those who grasp both nettles early and take decisive action will be the ones that will do well. Those that hesitate, hoping that things will improve, are likely to find things rapidly deteriorate and possibly spiral out of control.

Many societies are modest in size, with small management teams and the pressures on the industry will be felt hardest by them, especially where they have chosen to diversify, often into housing related enterprises that may well now be struggling too.

In conclusion

Building societies have emerged from the first round of the credit crunch in generally better shape than many banks, supported by generally good asset quality, limited exposure to US originated mortgage backed assets and a strong retail savings franchise.

The second longer and slower paced round of the credit crunch is now underway, characterised by falling house prices and real incomes. This round poses more problems for societies, though slower paced and perhaps more predictable than the first, gives strong management greater opportunity to work through the issues. Belt tightening, timely action to redeploy resources from sales and underwriting to collections and recoveries, and tight balance sheet management are the order of the day.

As ever it will be the quality of implementation rather than the cleverness of strategic thought that differentiates the winners from the losers. Strong, decisive and rigorous management will be the decisive factor.

Simon Walker

PARTNER, KPMG FINANCIAL SERVICES

Database Tables





Peer Group 1

Table 1: Total Assets, Shares, Members and Branches

| Asset ranking | Society | IFRS | Year End | Group Total Assets | | | Society Total Assets | | | Society Shares | | Number of Society Shareholders | Average Balance per Shareholder | Funding Limit | Liquid Assets ratio | Society Branches | Total Society Assets per Branch | Society Shareholders per Branch | Society Borrowers per Branch | | | | |
|---------------------------------|------------------------|------|----------|------------------------------|--------|------|------------------------------|--------|------|----------------|--------|--------------------------------|---------------------------------|---------------|---------------------|------------------|---------------------------------|---------------------------------|------------------------------|--------|---|-------|--|
| | | | | £'000 | % | Rank | £'000 | % | Rank | £'000 | % | | | | | | | | | £ | % | £'000 | |
| 1 | Nationwide | I | Apr 2008 | 179,026,600 | 30.32% | 2 | 178,482,100 | 34.51% | 1 | 113,815,800 | 31.13% | 11,057,776 | 10,292 | 31.00% | 18.90% | 680 | 262,474 | 16,261 | 3,257 | | | | |
| 2 | Britannia | I | Dec 2007 | 36,826,600 | 4.77% | 21 | 32,377,000 | 5.65% | 20 | 17,567,800 | 2.51% | 2,662,771 | 6,598 | 35.90% | 34.80% | 254 | 127,469 | 10,483 | 1,019 | | | | |
| 3 | Yorkshire | I | Dec 2007 | 20,498,300 | 16.70% | 11 | 23,136,900 | 22.66% | 4 | 12,446,900 | 10.32% | 1,663,737 | 7,481 | 32.30% | 24.74% | 134 | 172,663 | 12,416 | 1,612 | | | | |
| 4 | Coventry | I | Dec 2007 | 14,909,100 | 21.40% | 4 | 14,908,400 | 21.40% | 5 | 10,313,700 | 25.28% | 843,000 | 12,224 | 26.73% | 21.37% | 48 | 310,592 | 17,563 | 4,521 | | | | |
| 5 | Chelsea | I | Dec 2007 | 13,087,400 | 17.50% | 9 | 13,017,000 | 17.48% | 11 | 8,405,000 | 7.69% | 462,500 | 18,173 | 31.40% | 25.00% | 34 | 382,853 | 13,603 | 2,794 | | | | |
| 6 | Skipton | I | Dec 2007 | 12,530,500 | 18.26% | 7 | 11,966,900 | 18.33% | 9 | 7,189,500 | 16.85% | 466,632 | 15,397 | 33.76% | 23.56% | 79 | 151,480 | 5,907 | 1,513 | | | | |
| 7 | West Bromwich | I | Mar 2008 | 9,601,500 | 15.41% | 13 | 8,651,000 | 20.75% | 7 | 5,523,900 | 22.18% | 400,000 | 13,807 | 31.60% | 26.17% | 48 | 180,229 | 8,333 | 1,198 | | | | |
| 8 | Leeds | I | Dec 2007 | 9,180,800 | 13.00% | 15 | 9,199,200 | 12.98% | 15 | 6,023,200 | 14.09% | 539,949 | 11,127 | 29.90% | 21.99% | 70 | 131,417 | 7,714 | 1,103 | | | | |
| 9 | Derbyshire | | Dec 2007 | 7,094,400 | 17.84% | 8 | 7,089,500 | 17.79% | 10 | 4,496,900 | 27.65% | 396,800 | 11,333 | 31.68% | 23.83% | 53 | 133,764 | 7,487 | 1,732 | | | | |
| 10 | Principality | I | Dec 2007 | 5,852,500 | 21.16% | 5 | 5,826,000 | 21.06% | 6 | 3,802,800 | 11.68% | 373,575 | 10,148 | 29.00% | 22.39% | 50 | 116,520 | 7,472 | 1,398 | | | | |
| 11 | Cheshire | I | Dec 2007 | 4,975,700 | 5.50% | 20 | 4,964,100 | 5.48% | 21 | 3,067,500 | 5.33% | 333,978 | 9,131 | 34.32% | 21.33% | 49 | 101,308 | 6,816 | 862 | | | | |
| 12 | Newcastle | I | Dec 2007 | 4,815,700 | 8.92% | 19 | 4,698,800 | 9.35% | 19 | 2,912,700 | 9.57% | 389,466 | 7,476 | 32.56% | 21.05% | 37 | 126,995 | 10,526 | 1,645 | | | | |
| 13 | Norwich & Peterborough | | Dec 2007 | 4,308,000 | 17.40% | 10 | 4,309,500 | 17.39% | 12 | 2,822,800 | 19.39% | 382,305 | 7,383 | 30.62% | 24.96% | 55 | 78,355 | 6,951 | 1,065 | | | | |
| 14 | Dunfermline | | Dec 2007 | 3,303,135 | 20.34% | 6 | 3,308,785 | 20.54% | 8 | 2,171,338 | 11.25% | 213,136 | 10,188 | 30.40% | 28.30% | 34 | 97,317 | 6,269 | 1,099 | | | | |
| 15 | Stroud & Swindon | | Dec 2007 | 3,172,435 | 12.56% | 16 | 3,156,109 | 12.56% | 16 | 2,210,654 | 22.57% | 201,927 | 10,948 | 26.26% | 23.25% | 22 | 143,460 | 9,179 | 930 | | | | |
| 16 | Nottingham | I | Dec 2007 | 3,025,780 | 15.55% | 12 | 3,024,462 | 15.56% | 13 | 2,120,782 | 11.52% | 161,874 | 13,101 | 25.33% | 21.54% | 32 | 94,514 | 5,059 | 1,436 | | | | |
| 17 | Scarborough | I | Apr 2008 | 2,851,809 | 24.12% | 3 | 2,875,604 | 24.00% | 3 | 1,575,916 | 19.36% | 164,000 | 9,609 | 34.12% | 22.50% | 9 | 319,512 | 18,222 | 1,952 | | | | |
| 18 | Kent Reliance | I | Sep 2007 | 2,134,265 | 31.86% | 1 | 2,129,826 | 31.89% | 2 | 1,650,904 | 57.92% | 159,097 | 10,377 | 16.70% | 27.87% | 1 | 2,129,826 | 159,097 | 10,134 | | | | |
| 19 | Progressive | | Dec 2007 | 1,495,379 | 12.18% | 17 | 1,495,379 | 12.18% | 17 | 1,227,027 | 9.27% | 88,722 | 13,743 | 14.01% | 21.48% | 11 | 135,944 | 8,066 | 1,284 | | | | |
| 20 | Cumberland | | Mar 2008 | 1,473,790 | 14.89% | 14 | 1,475,758 | 14.89% | 14 | 1,159,800 | 9.26% | 164,000 | 7,072 | 15.59% | 23.94% | 33 | 44,720 | 4,970 | 603 | | | | |
| 21 | National Counties | | Dec 2007 | 1,177,408 | 11.90% | 18 | 1,157,331 | 12.04% | 18 | 736,543 | 14.20% | 38,171 | 19,296 | 30.67% | 24.60% | 1 | 1,157,331 | 38,171 | 12,445 | | | | |
| | | | | Total Peer Gp 341,341,101 | | | Total Peer Gp 337,249,654 | | | | | | | | | | | | | | | | |
| Average of Peer Group Societies | | | | 16.74% | | | 17.55% | | | 17.10% | | 11,186 | | 28.75% | | 23.98% | | 304,702 | | 18,122 | | 2,552 | |

* denotes no Group; therefore Society total assets included as Group

Source: KPMG LLP (UK)



Peer Group 1

Table 2a: Group Profitability Ratios

Table 2b: Group Reserves and Capital

| Asset ranking | Society | IFRS | Year End | Group Profit | Growth | Group/Society Profit | Group Net | Group Cost / | Group ManEx / Mean Assets | | (Group ManEx – Other Income) / Mean Assets | PIBS | Subordinated Debt | General Reserves | IFRS Reserves | Revaluation Reserve | Total Reserves/ Total Assets | Gross Capital | Free Capital |
|---------------------------------|------------------------|------|----------|--------------|---------|----------------------|-----------|--------------|---------------------------|------|--|-----------|-------------------|------------------|---------------|---------------------|------------------------------|---------------|--------------|
| | | | | £'000 | % | % | % | % | % | Rank | | | | | | | | | |
| 1 | Nationwide | I | Apr 2008 | 495,300 | 6.84% | 0.31% | 1.14% | 59.37% | 0.82% | 12 | 0.58% | 1,244,900 | 2,058,200 | 6,303,400 | -416,500 | 121,200 | 3.36% | 5.60% | 5.10% |
| 2 | Britannia | I | Dec 2007 | 49,300 | -13.51% | 0.14% | 0.87% | 67.56% | 0.74% | 10 | 0.52% | 304,300 | 560,800 | 1,254,500 | -67,300 | 0 | 3.22% | 7.00% | 5.90% |
| 3 | Yorkshire | I | Dec 2007 | 39,200 | -27.00% | 0.21% | 0.99% | 65.43% | 0.63% | 5 | 0.66% | 146,000 | 105,000 | 995,800 | -42,100 | 0 | 4.65% | 6.31% | 5.86% |
| 4 | Coventry | I | Dec 2007 | 46,800 | 7.09% | 0.34% | 0.82% | 48.35% | 0.48% | 2 | 0.31% | 160,900 | 70,600 | 559,200 | -3,900 | 0 | 3.72% | 5.59% | 5.46% |
| 5 | Chelsea | I | Dec 2007 | 45,400 | 10.73% | 0.37% | 0.91% | 51.39% | 0.57% | 4 | 0.37% | 0 | 202,000 | 520,700 | 0 | 33,800 | 4.24% | 6.20% | 5.50% |
| 6 | Skipton | I | Dec 2007 | 126,600 | 11.94% | 1.09% | 0.95% | 77.35% | 3.82% | 20 | -0.17% | 26,300 | 183,700 | 731,400 | -9,700 | 0 | 5.76% | 8.25% | 5.57% |
| 7 | West Bromwich | I | Mar 2008 | 28,300 | -13.72% | 0.32% | 0.81% | 55.85% | 0.64% | 6 | 0.30% | 74,900 | 188,100 | 327,900 | -5,100 | 6,100 | 3.43% | 7.34% | 5.43% |
| 8 | Leeds | I | Dec 2007 | 43,800 | 10.05% | 0.51% | 1.09% | 39.97% | 0.53% | 3 | 0.28% | 25,000 | 39,800 | 422,400 | 6,500 | 16,900 | 4.86% | 6.05% | 5.83% |
| 9 | Derbyshire | I | Dec 2007 | 8,700 | -46.95% | 0.13% | 0.87% | 75.82% | 0.85% | 14 | 0.60% | 139,600 | 100,200 | 251,200 | - | 8,100 | 3.65% | 7.58% | 7.28% |
| 10 | Principality | I | Dec 2007 | 20,500 | 1.49% | 0.38% | 1.28% | 64.57% | 1.27% | 18 | 0.59% | 57,600 | 120,900 | 277,300 | -500 | 0 | 4.73% | 8.53% | 8.07% |
| 11 | Cheshire | I | Dec 2007 | 5,100 | -50.49% | 0.11% | 0.73% | 78.67% | 0.73% | 8 | 0.53% | 40,700 | 65,300 | 187,800 | -2,800 | 4,300 | 3.80% | 6.36% | 5.92% |
| 12 | Newcastle | I | Dec 2007 | 12,100 | 49.38% | 0.26% | 0.95% | 69.48% | 0.89% | 15 | 0.55% | 19,900 | 60,800 | 210,700 | 0 | 0 | 4.38% | 6.72% | 5.83% |
| 13 | Norwich & Peterborough | I | Dec 2007 | 16,500 | 17.02% | 0.41% | 1.44% | 66.71% | 1.40% | 19 | 0.74% | 0 | 15,000 | 205,200 | - | 0 | 4.76% | 5.41% | 5.03% |
| 14 | Dunfermline | I | Dec 2007 | 1,978 | -61.40% | 0.10% | 0.98% | 70.67% | 0.92% | 16 | 0.60% | 0 | 49,908 | 117,960 | - | 0 | 3.57% | 5.40% | 4.40% |
| 15 | Stroud & Swindon | I | Dec 2007 | 5,558 | -7.84% | 0.19% | 0.83% | 72.49% | 0.71% | 7 | 0.56% | 0 | 52,000 | 111,274 | - | 0 | 3.51% | 5.45% | 4.95% |
| 16 | Nottingham | I | Dec 2007 | 5,871 | -19.72% | 0.21% | 0.91% | 73.94% | 0.83% | 13 | 0.61% | 24,811 | 0 | 144,141 | 282 | 0 | 4.77% | 5.96% | 5.41% |
| 17 | Scarborough | I | Apr 2008 | 6,451 | 36.70% | 0.25% | 0.73% | 67.66% | 0.74% | 9 | 0.37% | 64,772 | 30,368 | 61,153 | -3,224 | 0 | 2.03% | 5.77% | 4.45% |
| 18 | Kent Reliance | I | Sep 2007 | 3,978 | -4.40% | 0.21% | 0.73% | 59.33% | 0.44% | 1 | 0.42% | 36,789 | 66,726 | 42,630 | 21 | 0 | 2.00% | 7.37% | 7.23% |
| 19 | Progressive | I | Dec 2007 | n/a | n/a | 0.45% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 70,866 | - | 3,832 | 5.00% | 5.27% | 4.48% |
| 20 | Cumberland | I | Mar 2008 | 6,010 | 4.81% | 0.44% | 1.43% | 64.63% | 1.19% | 17 | 0.78% | 0 | 0 | 92,249 | - | 0 | 6.26% | 6.71% | 6.15% |
| 21 | National Counties | I | Dec 2007 | 3,935 | 12.78% | 0.35% | 1.10% | 59.21% | 0.78% | 11 | 0.56% | 0 | 0 | 109,624 | - | 0 | 9.31% | 10.32% | 9.22% |
| Average of Peer Group Societies | | | | | -3.81% | 0.32% | 0.98% | 64.42% | 0.95% | | 0.49% | | | | | | 4.33% | 6.63% | 5.86% |

Source: KPMG LLP (UK)



Peer Group 1

Table 3: Society Profitability Ratios

| Asset ranking | Society | IFRS | Year End | Society Profit | Growth | Net Interest | Interest | Interest | Interest | Other Income | Cost/Income | Mortgage Loss | Total ManEx | ManEx / Mean Assets | ManEx - | |
|---------------------------------|------------------------|------|----------|----------------|---------|---------------|--------------|-------------|------------|--------------|-------------|-------------------|-------------|---------------------|---------|----------------|
| | | | | for Year | % | Margin / Mean | Receivable / | Payable / | Spread for | & Charges / | Ratio | Provision Charge/ | £'000 | % | Rank | Other Income / |
| | | | | £'000 | % | Assets | Mean FSRP | Mean Shares | Members | Total Income | % | (Credit) for Year | £'000 | % | Rank | Mean Assets |
| | | | | | | % | % | % | % | % | % | / Profit pre- | | | | % |
| | | | | | | | Provision % | | | | | Provision % | | | | |
| 1 | Nationwide | I | Apr 2008 | 554,400 | -19.92% | 0.97% | 6.25% | 5.14% | 1.11% | 26.75% | 58.42% | 6.62% | 1,208,300 | 0.78% | 16 | 0.42% |
| 2 | Britannia | I | Dec 2007 | 24,400 | -17.01% | 0.59% | 5.22% | 4.92% | 0.30% | 35.11% | 77.79% | -12.56% | 223,100 | 0.71% | 14 | 0.39% |
| 3 | Yorkshire | I | Dec 2007 | 6,200 | -83.98% | 0.57% | 6.22% | 5.18% | 1.04% | 5.59% | 92.68% | -24.73% | 117,800 | 0.56% | 9 | 0.53% |
| 4 | Coventry | I | Dec 2007 | 46,700 | 6.86% | 0.81% | 6.03% | 5.03% | 1.00% | 16.22% | 48.37% | 3.23% | 63,800 | 0.47% | 3 | 0.31% |
| 5 | Chelsea | I | Dec 2007 | 35,100 | -9.54% | 0.78% | 6.24% | 5.29% | 0.95% | 18.96% | 55.93% | 2.55% | 64,600 | 0.54% | 6 | 0.35% |
| 6 | Skipton | I | Dec 2007 | 123,400 | 55.22% | 0.74% | 6.46% | 5.78% | 0.68% | 58.63% | 27.25% | 0.83% | 54,000 | 0.49% | 4 | -0.56% |
| 7 | West Bromwich | I | Mar 2008 | 23,000 | 49.35% | 0.72% | 6.35% | 5.11% | 1.24% | 26.36% | 60.98% | 0.66% | 47,200 | 0.60% | 10 | 0.34% |
| 8 | Leeds | I | Dec 2007 | 52,800 | 37.14% | 1.08% | 6.43% | 5.34% | 1.09% | 21.29% | 36.13% | 7.09% | 43,100 | 0.50% | 5 | 0.20% |
| 9 | Derbyshire | I | Dec 2007 | 20,300 | 51.49% | 0.73% | 6.24% | 5.35% | 0.89% | 20.79% | 77.56% | 3.68% | 47,000 | 0.72% | 15 | 0.52% |
| 10 | Principality | I | Dec 2007 | 19,700 | 33.11% | 1.13% | 6.01% | 4.86% | 1.15% | 16.48% | 59.14% | 5.76% | 42,700 | 0.80% | 17 | 0.58% |
| 11 | Cheshire | I | Dec 2007 | 3,700 | -78.24% | 0.67% | 5.91% | 5.14% | 0.77% | 19.30% | 82.71% | 15.00% | 33,000 | 0.68% | 12 | 0.52% |
| 12 | Newcastle | I | Dec 2007 | 16,700 | 119.74% | 0.97% | 6.74% | 4.78% | 1.96% | 28.45% | 63.82% | 2.27% | 38,800 | 0.86% | 18 | 0.48% |
| 13 | Norwich & Peterborough | I | Dec 2007 | 16,800 | 22.63% | 1.43% | 6.27% | 4.88% | 1.39% | 25.43% | 63.70% | 15.16% | 48,600 | 1.22% | 21 | 0.73% |
| 14 | Dunfermline | I | Dec 2007 | 6,464 | 12.50% | 0.97% | 6.15% | 5.26% | 0.89% | 24.88% | 69.48% | 4.32% | 27,147 | 0.90% | 19 | 0.58% |
| 15 | Stroud & Swindon | I | Dec 2007 | 5,671 | -9.12% | 0.59% | 5.87% | 5.04% | 0.83% | 36.52% | 74.80% | 3.55% | 19,228 | 0.65% | 11 | 0.37% |
| 16 | Nottingham | I | Dec 2007 | 6,219 | -7.72% | 0.91% | 6.01% | 5.05% | 0.96% | 11.36% | 69.51% | 0.02% | 19,879 | 0.70% | 13 | 0.60% |
| 17 | Scarborough | I | Apr 2008 | 5,386 | 81.53% | 0.34% | 6.35% | 5.48% | 0.87% | 42.11% | 63.62% | -0.07% | 9,705 | 0.37% | 1 | 0.13% |
| 18 | Kent Reliance | I | Sep 2007 | 3,102 | 23.68% | 0.66% | 6.48% | 4.84% | 1.64% | 3.63% | 65.51% | -1.73% | 8,337 | 0.45% | 2 | 0.42% |
| 19 | Progressive | I | Dec 2007 | 6,322 | 3.10% | 1.07% | 5.99% | 4.93% | 1.06% | 10.73% | 46.28% | 0.00% | 7,773 | 0.55% | 8 | 0.43% |
| 20 | Cumberland | I | Mar 2008 | 6,113 | 9.69% | 1.42% | 6.37% | 4.97% | 1.40% | 16.39% | 61.01% | 2.42% | 14,325 | 1.04% | 20 | 0.76% |
| 21 | National Counties | I | Dec 2007 | 3,620 | 7.74% | 0.86% | 5.98% | 5.43% | 0.55% | 15.23% | 54.65% | 3.53% | 6,010 | 0.55% | 7 | 0.41% |
| Average of Peer Group Societies | | | | | 13.73% | 0.86% | 6.17% | 5.13% | 1.04% | 22.87% | 62.35% | 1.79% | | 0.67% | | 0.41% |

Source: KPMG LLP (UK)



Peer Group 1

Table 4: Society Staff Ratios, Pension Costs & Group IAS19/FRS17 Data

| Asset ranking | Society | IFRS | Year End | Society staff costs | | | | | Society pension costs | | | Defined Benefit Scheme? | Group IAS19/FRS17 disclosures | | Key IAS19/FRS17 assumptions | | |
|---------------------------------|------------------------|------|----------|-----------------------|----------------------------|---|---|---|--|------------------------------|---------------------------|-------------------------|--|-------------------|-----------------------------|--------------------|---------------------|
| | | | | Total Number of Staff | Total Staff Costs £'000 | Staff Costs per Staff Member £'000 / staff | Profit for Year per Staff Member £'000 / staff | Total Assets per Staff £'000 / staff | Total wages and salaries ('TW&S') £'000 | Other pension costs £'000 | Pension costs / TW&S % | | Group IAS19/FRS17 (Deficit) / Surplus After def. tax £'000 | % of Gen Reserves | Salary increase % | Discount rate % | Inflation rate % |
| 1 | Nationwide | I | Apr 2008 | 14,623 | 531,300 | 36.33 | 37.91 | 12,206 | 404,800 | 94,400 | 23.32% | Y - Closed | -28,584 | 0.45% | 5.30 | 6.40 | 3.50 |
| 2 | Britannia | I | Dec 2007 | 3,688 | 105,200 | 28.53 | 6.62 | 8,780 | 88,500 | 8,200 | 9.27% | Y - Closed | 32,400 | -2.58% | 3.30 | 5.80 | n/a |
| 3 | Yorkshire | I | Dec 2007 | 2,088 | 68,700 | 32.91 | 2.97 | 11,084 | 58,700 | 4,600 | 7.84% | Y - Closed | 5,760 | -0.58% | 4.90 | 5.80 | 3.40 |
| 4 | Coventry | I | Dec 2007 | 1,086 | 33,900 | 31.22 | 43.00 | 13,728 | 28,900 | 1,900 | 6.57% | Y - Closed | 8,352 | -1.49% | 4.40 | 5.50 | 3.40 |
| 5 | Chelsea | I | Dec 2007 | 933 | 33,200 | 35.58 | 37.62 | 13,952 | 28,700 | 1,700 | 5.92% | Y - Closed | 1,368 | -0.26% | 4.00 | 5.75 | 3.25 |
| 6 | Skipton | I | Dec 2007 | 1,129 | 31,500 | 27.90 | 109.30 | 10,600 | 26,400 | 2,700 | 10.23% | Y - Closed | -16,056 | 2.20% | 5.40 | 6.00 | 3.40 |
| 7 | West Bromwich | I | Mar 2008 | 858 | 29,800 | 34.75 | 26.82 | 10,089 | 25,600 | 2,000 | 7.81% | Y - Closed | -3,672 | 1.12% | 5.50 | 6.30 | 3.50 |
| 8 | Leeds | I | Dec 2007 | 933 | 23,300 | 24.97 | 56.59 | 9,860 | 18,800 | 2,500 | 13.30% | Y - Closed | -1,080 | 0.26% | 5.40 | 5.80 | 3.40 |
| 9 | Derbyshire | | Dec 2007 | 699 | 20,900 | 29.90 | 29.04 | 10,142 | 17,500 | 1,200 | 6.86% | Y - Closed | 2,500 | -1.00% | 4.80 | 5.80 | 3.30 |
| 10 | Principality | I | Dec 2007 | 725 | 22,800 | 31.47 | 27.19 | 8,041 | 19,600 | 1,300 | 6.63% | Y - Closed | -1,368 | 0.49% | 3.20 | 5.70 | 3.20 |
| 11 | Cheshire | I | Dec 2007 | 584 | 17,500 | 29.99 | 6.34 | 8,507 | 15,300 | 800 | 5.23% | Y - Closed | -3,528 | -1.88% | 4.45 | 5.34 | 3.45 |
| 12 | Newcastle | I | Dec 2007 | 874 | 24,100 | 27.59 | 19.12 | 5,379 | 20,900 | 1,300 | 6.22% | Y - Closed | -2,448 | 1.16% | 4.90 | 5.80 | 3.50 |
| 13 | Norwich & Peterborough | | Dec 2007 | 810 | 26,400 | 32.59 | 20.74 | 5,320 | 21,800 | 2,700 | 12.39% | Y - Closed | 300 | -0.15% | 4.40 | 5.90 | 3.40 |
| 14 | Dunfermline | | Dec 2007 | 461 | 13,913 | 30.18 | 14.02 | 7,177 | 11,471 | 1,383 | 12.06% | Y - Closed | -5,015 | 4.25% | 4.60 | 5.80 | 3.30 |
| 15 | Stroud & Swindon | | Dec 2007 | 365 | 11,378 | 31.17 | 15.54 | 8,647 | 9,743 | 691 | 7.09% | Y - Closed | -636 | 0.57% | 4.70 | 5.70 | 3.20 |
| 16 | Nottingham | I | Dec 2007 | 319 | 10,410 | 32.63 | 19.50 | 9,481 | 8,691 | 970 | 11.16% | Y - Closed | -724 | 0.50% | 4.80 | 5.66 | 3.30 |
| 17 | Scarborough | I | Apr 2008 | 208 | 5,618 | 27.07 | 25.96 | 13,858 | 5,050 | 170 | 3.37% | Y - Closed | -2,869 | 4.69% | 4.25 | 6.00 | 3.50 |
| 18 | Kent Reliance | I | Sep 2007 | 58 | 3,133 | 54.02 | 53.48 | 36,721 | 2,576 | 263 | 10.21% | No | n/a | n/a | n/a | n/a | n/a |
| 19 | Progressive | | Dec 2007 | 126 | 3,986 | 31.76 | 50.37 | 11,915 | 3,262 | 445 | 13.64% | Y - Closed | 47 | -0.07% | 4.30 | 5.75 | 3.30 |
| 20 | Cumberland | | Mar 2008 | 335 | 8,358 | 24.95 | 18.25 | 4,405 | 7,120 | 620 | 8.71% | Y - Closed | 639 | -0.69% | 5.00 | 6.00 | 3.70 |
| 21 | National Counties | | Dec 2007 | 84 | 3,755 | 44.70 | 43.10 | 13,778 | 3,052 | 403 | 13.20% | Y - Closed | -551 | 0.50% | 4.00 | 5.80 | 3.40 |
| Average of Peer Group Societies | | | | | | 32.39 | 31.59 | 11,127 | | | 9.57% | | | 0.38% | 4.56 | 5.80 | 3.38 |

Source: KPMG LLP (UK)



Peer Group 1

Table 5: Group Loans and Advances (1): Arrears and Provisions

| Asset ranking | Society | IFRS | Year End | Lending Limit % | Group/Society Gross Mortgage Lending | | Group FSRP Loans | | FSOL Loans | | Other Loans | | Group / Society Arrears 12 months and over Number | Total Year End Mortgage Provisions £'000 | FSRP Provisions | | | | FSOL Provisions | |
|---------------------------------|------------------------|------|----------|-----------------|--------------------------------------|-----------------------|------------------|------------|------------|------------|-------------|------------|---|--|------------------------|--------------------------|--------------------|---------------------------|--------------------|---------------------------|
| | | | | | £'000 | % to total P/Yr loans | £'000 | Increase % | £'000 | Increase % | £'000 | Increase % | | | Charge/ (Credit) £'000 | Year End Provision £'000 | Charge/ (Credit) % | Provision to FSRP Loans % | Charge/ (Credit) % | Provision to FSOL Loans % |
| 1 | Nationwide | I | Apr 2008 | 13.30% | 33,200,000 | 28.61% | 127,077,900 | 24.73% | 11,476,200 | 13.94% | 4,225,000 | 3.45% | 686 | 212,100 | -11,900 | 38,200 | -0.01% | 0.03% | -0.04% | 0.26% |
| 2 | Britannia | I | Dec 2007 | 13.60% | 8,400,000 | 36.32% | 23,370,800 | 8.86% | 2,020,900 | 26.89% | 88,300 | 29.09% | 84 | 49,000 | 22,800 | 45,600 | 0.10% | 0.19% | -0.43% | 0.17% |
| 3 | Yorkshire | I | Dec 2007 | 2.40% | 4,735,000 | 35.57% | 15,320,400 | 15.13% | 4,200 | -22.22% | 0 | n/a | 175 | 18,800 | 5,100 | 18,800 | 0.03% | 0.12% | 0.00% | 0.00% |
| 4 | Coventry | I | Dec 2007 | 1.70% | 4,300,000 | 42.94% | 11,666,700 | 17.35% | 300 | 0.00% | 110,900 | 52.75% | 33 | 17,800 | 2,900 | 14,800 | 0.02% | 0.13% | 0.00% | 0.00% |
| 5 | Chelsea | I | Dec 2007 | 1.30% | 3,100,000 | 36.12% | 9,805,700 | 14.28% | 0 | n/a | 0 | -100.00% | 94 | 9,700 | 2,400 | 9,700 | 0.02% | 0.10% | 0.00% | 0.00% |
| 6 | Skipton | I | Dec 2007 | 9.04% | 3,018,000 | 37.65% | 8,685,000 | 15.50% | 464,000 | 23.60% | 134,400 | 11.44% | 23 | 17,000 | 3,100 | 13,200 | 0.04% | 0.15% | 0.13% | 0.28% |
| 7 | West Bromwich | I | Mar 2008 | 17.10% | 2,400,000 | 36.06% | 5,800,100 | 7.57% | 1,478,900 | 17.14% | 300 | 0.00% | 15 | 24,800 | 5,900 | 22,400 | 0.10% | 0.38% | 0.03% | 0.16% |
| 8 | Leeds | I | Dec 2007 | 12.30% | 2,100,000 | 33.04% | 6,380,100 | 12.36% | 628,200 | 24.97% | 182,000 | 3.70% | 36 | 17,500 | 500 | 7,700 | 0.01% | 0.12% | 0.17% | 0.81% |
| 9 | Derbyshire | | Dec 2007 | 5.24% | 1,168,000 | 24.62% | 5,211,800 | 10.69% | 199,900 | 467.90% | 0 | n/a | 23 | 16,900 | 3,300 | 15,800 | 0.06% | 0.30% | 0.50% | 0.55% |
| 10 | Principality | I | Dec 2007 | 13.80% | 1,602,300 | 40.90% | 4,007,100 | 16.44% | 526,600 | 24.32% | 71,000 | 34.22% | 14 | 19,400 | 5,700 | 15,000 | 0.14% | 0.37% | 0.15% | 0.83% |
| 11 | Cheshire | I | Dec 2007 | 8.62% | 942,700 | 25.99% | 3,624,900 | 7.68% | 294,300 | 12.85% | 0 | n/a | 7 | 4,900 | 700 | 1,900 | 0.02% | 0.05% | 0.37% | 1.01% |
| 12 | Newcastle | I | Dec 2007 | 13.91% | 1,017,000 | 28.68% | 3,188,800 | 2.42% | 439,900 | 41.54% | 147,900 | 21.63% | 26 | 4,100 | n/a | n/a | n/a | n/a | n/a | n/a |
| 13 | Norwich & Peterborough | | Dec 2007 | 11.25% | 974,000 | 34.08% | 2,906,900 | 13.21% | 310,100 | 10.40% | 26,900 | 174.49% | 15 | 7,800 | 1,300 | 4,300 | 0.04% | 0.15% | 0.13% | 0.39% |
| 14 | Dunfermline | | Dec 2007 | 16.70% | 678,000 | 31.54% | 1,988,899 | 4.77% | 364,218 | 45.02% | 45 | -11.76% | 23 | 2,744 | 396 | 1,386 | 0.02% | 0.07% | 0.03% | 0.37% |
| 15 | Stroud & Swindon | | Dec 2007 | 2.18% | 565,000 | 25.02% | 2,404,623 | 8.08% | 25,125 | -23.13% | 518 | -29.43% | 234 | 2,620 | 330 | 2,593 | 0.01% | 0.11% | 0.00% | 0.11% |
| 16 | Nottingham | I | Dec 2007 | 2.80% | 697,000 | 32.46% | 2,330,859 | 8.68% | 33,359 | 1341.62% | 0 | n/a | 3 | 620 | -85 | 498 | 0.00% | 0.02% | 0.30% | 0.36% |
| 17 | Scarborough | I | Apr 2008 | 1.08% | 495,000 | 35.40% | 2,173,282 | 55.44% | 318 | -2.15% | 0 | n/a | 3 | 3,978 | 1,355 | 3,978 | 0.06% | 0.18% | 0.00% | 0.00% |
| 18 | Kent Reliance | I | Sep 2007 | 3.51% | 526,000 | 40.53% | 1,523,861 | 19.84% | 44,585 | 69.48% | 0 | n/a | 0 | 290 | 4 | 285 | 0.00% | 0.02% | 0.00% | 0.01% |
| 19 | Progressive | | Dec 2007 | 0.64% | 294,000 | 27.35% | n/a | n/a | n/a | n/a | n/a | n/a | 2 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 20 | Cumberland | | Mar 2008 | 14.01% | 259,600 | 24.59% | 976,060 | 6.43% | 150,159 | 8.94% | 1,114 | 83.22% | 9 | 3,253 | 94 | 1,565 | 0.01% | 0.16% | 0.09% | 1.07% |
| 21 | National Counties | | Dec 2007 | 5.99% | 199,463 | 24.74% | 849,826 | 8.90% | 21,275 | 115.40% | 29,919 | 87.49% | 0 | 1,089 | 111 | 938 | 0.01% | 0.11% | 0.21% | 0.23% |
| Average of Peer Group Societies | | | | 8.12% | | 32.49% | | 13.92% | | 115.60% | | 25.74% | | | | | 0.04% | 0.15% | 0.09% | 0.35% |

Source: KPMG LLP (UK)



Peer Group 1

Table 6: Society Loans and Advances (1): Provisions

| Asset ranking | Society | IFRS | Year End | Lending Limit % | Number of Society Borrowers | Society FSRP Loans | | FSOL Loans | | Other Loans | | Total Year End Mortgage Provisions £'000 | Charge/ (Credit) £'000 | FSRP Provisions | | | FSOL Provisions | |
|---------------------------------|------------------------|------|----------|-----------------|-----------------------------|--------------------|------------|------------|------------|-------------|------------|--|------------------------|--------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
| | | | | | | £'000 | Increase % | £'000 | Increase % | £'000 | Increase % | | | Year End Provision £'000 | Charge/ (Credit) to FSRP Loans % | Provision to FSRP Loans % | Charge/ (Credit) to FSOL Loans % | Provision to FSOL Loans % |
| 1 | Nationwide | I | Apr 2008 | 13.30% | 2,214,925 | 112,409,100 | 18.83% | 11,355,600 | 15.26% | 2,256,800 | 6.17% | 126,200 | -11,300 | 19,600 | -0.01% | 0.02% | -0.04% | 0.26% |
| 2 | Britannia | I | Dec 2007 | 13.60% | 258,866 | 11,992,200 | 5.02% | 683,900 | -20.06% | 61,300 | -6.41% | 2,900 | -400 | 900 | 0.00% | 0.01% | -1.11% | 0.29% |
| 3 | Yorkshire | I | Dec 2007 | 2.40% | 216,017 | 9,287,000 | 4.50% | 4,200 | -22.22% | 0 | n/a | 1,600 | -2,200 | 1,600 | -0.02% | 0.02% | 0.00% | 0.00% |
| 4 | Coventry | I | Dec 2007 | 1.70% | 217,000 | 10,760,800 | 8.24% | 300 | 0.00% | 89,300 | 23.00% | 17,100 | 2,300 | 14,200 | 0.02% | 0.13% | 0.00% | 0.00% |
| 5 | Chelsea | I | Dec 2007 | 1.30% | 95,000 | 9,761,400 | 14.06% | 0 | n/a | 0 | -100.00% | 8,100 | 1,900 | 8,100 | 0.02% | 0.08% | 0.00% | 0.00% |
| 6 | Skipton | I | Dec 2007 | 9.04% | 119,526 | 6,880,500 | 12.86% | 464,000 | 23.60% | 25,500 | 34.21% | 5,600 | -300 | 3,400 | 0.00% | 0.05% | 0.13% | 0.28% |
| 7 | West Bromwich | I | Mar 2008 | 17.10% | 57,500 | 2,908,500 | -14.18% | 30,500 | 0.00% | 0 | n/a | 16,100 | 200 | 16,100 | 0.01% | 0.55% | 0.00% | 0.00% |
| 8 | Leeds | I | Dec 2007 | 12.30% | 77,241 | 6,237,900 | 10.99% | 628,200 | 24.97% | 182,000 | 3.70% | 17,000 | 500 | 7,200 | 0.01% | 0.12% | 0.17% | 0.81% |
| 9 | Derbyshire | | Dec 2007 | 5.24% | 91,800 | 2,816,200 | -0.77% | 199,900 | 467.90% | 0 | n/a | 1,400 | -500 | 300 | -0.02% | 0.01% | 0.50% | 0.55% |
| 10 | Principality | I | Dec 2007 | 13.80% | 69,895 | 3,366,100 | 10.57% | 526,600 | 24.32% | 0 | n/a | 9,300 | 900 | 4,900 | 0.03% | 0.15% | 0.15% | 0.83% |
| 11 | Cheshire | I | Dec 2007 | 8.62% | 42,220 | 3,271,400 | 9.65% | 294,300 | 12.85% | 0 | n/a | 3,200 | -200 | 200 | -0.01% | 0.01% | 0.37% | 1.01% |
| 12 | Newcastle | I | Dec 2007 | 13.91% | 60,851 | 3,166,000 | 1.95% | 333,600 | 73.39% | 147,900 | 21.63% | 4,100 | n/a | n/a | n/a | n/a | n/a | n/a |
| 13 | Norwich & Peterborough | | Dec 2007 | 11.25% | 58,566 | 2,840,200 | 10.98% | 310,100 | 10.40% | 26,900 | 174.49% | 7,800 | 1,300 | 4,300 | 0.05% | 0.15% | 0.13% | 0.39% |
| 14 | Dunfermline | | Dec 2007 | 16.70% | 37,370 | 1,985,226 | 4.87% | 367,221 | 44.31% | 33,680 | 27.26% | 2,744 | 396 | 1,386 | 0.02% | 0.07% | 0.03% | 0.37% |
| 15 | Stroud & Swindon | | Dec 2007 | 2.18% | 20,450 | 1,961,443 | 4.35% | 3,125 | -42.69% | 0 | -100.00% | 755 | 313 | 731 | 0.02% | 0.04% | 0.00% | 0.76% |
| 16 | Nottingham | I | Dec 2007 | 2.80% | 45,959 | 2,330,859 | 8.68% | 33,359 | 1341.62% | 0 | n/a | 620 | -85 | 498 | 0.00% | 0.02% | 0.30% | 0.36% |
| 17 | Scarborough | I | Apr 2008 | 1.08% | 17,570 | 1,241,035 | 9.58% | 318 | -2.15% | 0 | n/a | 356 | 41 | 356 | 0.00% | 0.03% | 0.00% | 0.00% |
| 18 | Kent Reliance | I | Sep 2007 | 3.51% | 10,134 | 815,511 | 6.94% | 44,585 | 69.48% | 0 | n/a | 40 | -76 | 35 | -0.01% | 0.00% | 0.00% | 0.01% |
| 19 | Progressive | | Dec 2007 | 0.64% | 14,121 | 1,171,883 | 9.83% | 6,735 | -14.79% | 0 | n/a | 135 | 0 | 102 | 0.00% | 0.01% | 0.00% | 0.49% |
| 20 | Cumberland | | Mar 2008 | 14.01% | 19,901 | 976,060 | 6.43% | 150,159 | 8.94% | 1,114 | 83.22% | 3,253 | 94 | 1,565 | 0.01% | 0.16% | 0.09% | 1.07% |
| 21 | National Counties | | Dec 2007 | 5.99% | 12,445 | 759,694 | 6.28% | 14,731 | 228.23% | 0 | n/a | 836 | 131 | 786 | 0.02% | 0.10% | 0.30% | 0.34% |
| Average of Peer Group Societies | | | | 8.12% | | | 7.13% | | 112.17% | | 15.21% | | | | 0.01% | 0.09% | 0.05% | 0.39% |

Source: KPMG LLP (UK)



Peer Group 1

Table 7: Group Loans and Advances (2): Provisions

| Asset ranking | Society | IFRS | Year End | Loans Fully Secured on Residential Property FSRP | | | | | Loans Fully Secured on Land FSOL | | | | | |
|---------------------------------|------------------------|------|----------|--|-----------------------------|---------------------------------------|---------------------------------------|--|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--|--|
| | | | | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSRP % | Specific Provision/ Total FSRP % | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSOL % | Specific Provision/ Total FSOL % | |
| 1 | Nationwide | I | Apr 2008 | 32,700 | 5,500 | 595% | 0.03% | 0.00% | 23,300 | 6,200 | 376% | 0.20% | 0.05% | |
| 2 | Britannia | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| 3 | Yorkshire | I | Dec 2007 | 8,800 | 10,000 | 88% | 0.06% | 0.07% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 4 | Coventry | I | Dec 2007 | 10,000 | 4,800 | 208% | 0.09% | 0.04% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 5 | Chelsea | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| 6 | Skipton | I | Dec 2007 | 10,100 | 3,100 | 326% | 0.12% | 0.04% | 800 | 500 | 160% | 0.17% | 0.11% | |
| 7 | West Bromwich | I | Mar 2008 | 1,600 | 20,800 | 8% | 0.03% | 0.36% | 1,400 | 1,000 | 140% | 0.09% | 0.07% | |
| 8 | Leeds | I | Dec 2007 | 6,300 | 1,400 | 450% | 0.10% | 0.02% | 5,100 | 0 | n/a | 0.81% | 0.00% | |
| 9 | Derbyshire | | Dec 2007 | 5,400 | 10,400 | 52% | 0.10% | 0.20% | 800 | 300 | 267% | 0.40% | 0.15% | |
| 10 | Principality | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| 11 | Cheshire | I | Dec 2007 | 1,000 | 900 | 111% | 0.03% | 0.02% | 0 | 3,000 | n/a | 0.00% | 1.01% | |
| 12 | Newcastle | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| 13 | Norwich & Peterborough | | Dec 2007 | 1,600 | 2,700 | 59% | 0.05% | 0.09% | 800 | 400 | 200% | 0.26% | 0.13% | |
| 14 | Dunfermline | | Dec 2007 | 431 | 955 | 45% | 0.02% | 0.05% | 1,358 | 0 | n/a | 0.37% | 0.00% | |
| 15 | Stroud & Swindon | | Dec 2007 | 2,454 | 139 | 1765% | 0.10% | 0.01% | 24 | 3 | 800% | 0.10% | 0.01% | |
| 16 | Nottingham | I | Dec 2007 | 475 | 23 | 2065% | 0.02% | 0.00% | 120 | 2 | 6000% | 0.36% | 0.01% | |
| 17 | Scarborough | I | Apr 2008 | 2,825 | 1,153 | 245% | 0.13% | 0.05% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 18 | Kent Reliance | I | Sep 2007 | 285 | 0 | n/a | 0.02% | 0.00% | 5 | 0 | n/a | 0.01% | 0.00% | |
| 19 | Progressive | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| 20 | Cumberland | | Mar 2008 | 1,565 | 0 | n/a | 0.16% | 0.00% | 1,623 | 0 | n/a | 1.07% | 0.00% | |
| 21 | National Counties | | Dec 2007 | 362 | 576 | 63% | 0.04% | 0.07% | 50 | 0 | n/a | 0.23% | 0.00% | |
| | | | | Total | Total | Peer Gp Ratio | | | | Total | Total | Peer Gp Ratio | | |
| | | | | 85,897 | 62,446 | 138% | | | | 35,380 | 11,405 | 310% | | |
| Average of Peer Group Societies | | | | | | | 0.07% | 0.06% | | | | 0.25% | 0.10% | |

Source: KPMG LLP (UK)



Peer Group 1

Table 8: Society Loans and Advances (2): Provisions

| Asset ranking | Society | IFRS | Year End | Loans Fully Secured on Residential Property FSRP | | | | | Loans Fully Secured on Land FSOL | | | | | | |
|---------------------------------|------------------------|------|----------|--|-----------------------------|---------------------------------------|---------------------------------------|--|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--|--|--|
| | | | | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSRP % | Specific Provision/ Total FSRP % | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSOL % | Specific Provision/ Total FSOL % | | |
| 1 | Nationwide | I | Apr 2008 | 18,300 | 1,300 | 1408% | 0.02% | 0.00% | 23,300 | 6,200 | 376% | 0.20% | 0.05% | | |
| 2 | Britannia | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 3 | Yorkshire | I | Dec 2007 | 900 | 700 | 129% | 0.01% | 0.01% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 4 | Coventry | I | Dec 2007 | 9,500 | 4,700 | 202% | 0.09% | 0.04% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 5 | Chelsea | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 6 | Skipton | I | Dec 2007 | 3,300 | 100 | 3300% | 0.05% | 0.00% | 800 | 500 | 160% | 0.17% | 0.11% | | |
| 7 | West Bromwich | I | Mar 2008 | 500 | 15,600 | 3% | 0.02% | 0.53% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 8 | Leeds | I | Dec 2007 | 5,800 | 1,400 | 414% | 0.09% | 0.02% | 5,100 | 0 | n/a | 0.81% | 0.00% | | |
| 9 | Derbyshire | | Dec 2007 | 200 | 100 | 200% | 0.01% | 0.00% | 800 | 300 | 267% | 0.40% | 0.15% | | |
| 10 | Principality | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 11 | Cheshire | I | Dec 2007 | 200 | 0 | n/a | 0.01% | 0.00% | 0 | 3,000 | n/a | 0.00% | 1.01% | | |
| 12 | Newcastle | I | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 13 | Norwich & Peterborough | | Dec 2007 | 1,600 | 2,700 | 59% | 0.06% | 0.09% | 800 | 400 | 200% | 0.26% | 0.13% | | |
| 14 | Dunfermline | | Dec 2007 | 431 | 955 | 45% | 0.02% | 0.05% | 1,358 | 0 | n/a | 0.37% | 0.00% | | |
| 15 | Stroud & Swindon | | Dec 2007 | 726 | 5 | 14520% | 0.04% | 0.00% | 24 | 0 | n/a | 0.76% | 0.00% | | |
| 16 | Nottingham | I | Dec 2007 | 475 | 23 | 2065% | 0.02% | 0.00% | 120 | 2 | 6000% | 0.36% | 0.01% | | |
| 17 | Scarborough | I | Apr 2008 | 305 | 51 | 598% | 0.02% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 18 | Kent Reliance | I | Sep 2007 | 35 | 0 | n/a | 0.00% | 0.00% | 5 | 0 | n/a | 0.01% | 0.00% | | |
| 19 | Progressive | | Dec 2007 | 70 | 32 | 219% | 0.01% | 0.00% | 33 | 0 | n/a | 0.49% | 0.00% | | |
| 20 | Cumberland | | Mar 2008 | 1,565 | 0 | n/a | 0.16% | 0.00% | 1,623 | 0 | n/a | 1.07% | 0.00% | | |
| 21 | National Counties | | Dec 2007 | 319 | 467 | 68% | 0.04% | 0.06% | 50 | 0 | n/a | 0.34% | 0.00% | | |
| | | | | Total | Total | Peer Gp Ratio | | | | Total | Total | Peer Gp Ratio | | | |
| | | | | 44,226 | 28,133 | 157% | | | | 34,013 | 10,402 | 327% | | | |
| Average of Peer Group Societies | | | | | | | 0.04% | 0.05% | | | | 0.31% | 0.09% | | |

Source: KPMG LLP (UK)



Peer Group 2

Table 1: Total Assets, Shares, Members and Branches

| Asset ranking | Society | IFRS | Year End | Group | | | Society | | | Society Shares | | Number of Society Shareholders | Average Balance per Shareholder | Funding Limit | Liquid Assets ratio | Society Branches | Total Society Assets per Branch | Society Shareholders per Branch | Society Borrowers per Branch | | | | |
|---------------------------------|-------------------|------|----------|---------------|--------------|------|---------------|--------------|------|----------------|----------|--------------------------------|---------------------------------|---------------|---------------------|------------------|---------------------------------|---------------------------------|------------------------------|-------|---|--------|-------|
| | | | | Total Assets | Asset Growth | Rank | Total Assets | Asset Growth | Rank | £'000 | Growth % | | | | | | | | | £ | % | Number | £'000 |
| 22 | Furness | | Dec 2007 | 844,830 | 3.67% | 19 | 844,775 | 3.74% | 19 | 657,605 | 4.12% | 105,572 | 6,228 | 16.19% | 22.39% | 11 | 76,798 | 9,597 | 969 | | | | |
| 23 | Cambridge | | Dec 2007 | 844,135 | 6.33% | 15 | 848,112 | 6.32% | 15 | 771,587 | 6.56% | 123,356 | 6,213 | 2.46% | 30.60% | 23 | 36,874 | 5,363 | 296 | | | | |
| 24 | Leek United | | Dec 2007 | 799,749 | 7.86% | 12 | 799,452 | 7.87% | 12 | 595,704 | 12.09% | 84,876 | 7,019 | 20.62% | 20.63% | 12 | 66,621 | 7,073 | 743 | | | | |
| 25 | Manchester | I | Dec 2007 | 792,311 | 17.18% | 1 | 764,871 | 13.02% | 6 | 552,503 | 15.84% | 24,355 | 22,685 | 23.96% | 23.90% | 1 | 764,871 | 24,355 | 5,000 | | | | |
| 26 | Saffron | | Dec 2007 | 784,222 | 10.42% | 10 | 783,812 | 10.45% | 10 | 642,906 | 14.21% | 117,587 | 5,467 | 12.10% | 25.50% | 12 | 65,318 | 9,799 | 662 | | | | |
| 27 | Hinckley & Rugby | | Nov 2007 | * 712,199 | 3.94% | 18 | 712,199 | 3.94% | 18 | 546,959 | 7.48% | 74,000 | 7,389 | 17.90% | 25.20% | 11 | 64,745 | 6,727 | 909 | | | | |
| 28 | Darlington | | Dec 2007 | 688,804 | 13.60% | 6 | 686,716 | 13.34% | 5 | 505,102 | 5.88% | 79,842 | 6,325 | 21.70% | 20.80% | 13 | 52,824 | 6,142 | 623 | | | | |
| 29 | Monmouthshire | | Apr 2008 | 606,798 | 15.16% | 3 | 606,450 | 15.14% | 2 | 512,699 | 10.61% | 51,898 | 9,879 | 10.35% | 24.32% | 10 | 60,645 | 5,190 | 471 | | | | |
| 30 | Newbury | | Oct 2007 | 604,910 | 7.10% | 13 | 603,878 | 7.07% | 13 | 445,724 | 6.17% | 45,365 | 9,655 | 23.06% | 19.07% | 9 | 67,098 | 5,041 | 613 | | | | |
| 31 | Melton Mowbray | | Dec 2007 | 438,734 | 6.37% | 14 | 438,995 | 6.41% | 14 | 397,048 | 7.63% | 58,435 | 6,795 | 0.36% | 28.65% | 4 | 109,749 | 14,609 | 1,585 | | | | |
| 32 | Market Harborough | | Dec 2007 | 418,894 | 3.99% | 17 | 417,900 | 3.98% | 17 | 325,033 | 2.36% | 44,437 | 7,314 | 16.95% | 21.71% | 6 | 69,650 | 7,406 | 1,253 | | | | |
| 33 | Ipswich | | Nov 2007 | * 403,050 | 12.45% | 7 | 403,050 | 12.45% | 7 | 300,695 | 3.04% | 62,005 | 4,849 | 19.80% | 31.19% | 8 | 50,381 | 7,751 | 786 | | | | |
| 34 | Barnsley | | Dec 2007 | * 375,661 | 2.85% | 21 | 375,661 | 2.85% | 21 | 300,103 | 1.87% | 56,794 | 5,284 | 14.15% | 28.50% | 8 | 46,958 | 7,099 | 738 | | | | |
| 35 | Marsden | | Dec 2007 | 355,593 | 1.19% | 23 | 355,569 | 1.18% | 23 | 297,310 | -1.10% | 55,585 | 5,343 | 8.29% | 29.85% | 15 | 23,705 | 3,706 | 336 | | | | |
| 36 | Tipton & Coseley | | Dec 2007 | * 350,293 | 10.87% | 9 | 350,293 | 10.87% | 9 | 263,055 | 11.43% | 33,688 | 7,805 | 19.42% | 21.42% | 4 | 87,573 | 8,422 | 1,578 | | | | |
| 37 | Hanley Economic | | Aug 2007 | 340,902 | 5.75% | 16 | 339,738 | 5.61% | 16 | 284,298 | 4.69% | 32,330 | 8,794 | 9.49% | 35.31% | 5 | 67,948 | 6,466 | 941 | | | | |
| 38 | Dudley | | Mar 2008 | 288,158 | 14.76% | 4 | 288,158 | 14.76% | 3 | 246,387 | 15.37% | n/a | n/a | 9.00% | 22.47% | 7 | 41,165 | n/a | n/a | | | | |
| 39 | Mansfield | | Dec 2007 | * 286,152 | 11.93% | 8 | 286,152 | 11.93% | 8 | 218,574 | 10.60% | 22,520 | 9,705 | 18.01% | 22.93% | 5 | 57,230 | 4,504 | 936 | | | | |
| 40 | Teachers | | Dec 2007 | 270,598 | 1.81% | 22 | 270,597 | 1.81% | 22 | 215,321 | 5.41% | 17,144 | 12,560 | 14.03% | 23.62% | 1 | 270,597 | 17,144 | 2,701 | | | | |
| 41 | Loughborough | | Oct 2007 | * 260,164 | 9.04% | 11 | 260,164 | 9.04% | 11 | 189,529 | 6.47% | 26,029 | 7,281 | 21.43% | 20.42% | 3 | 86,721 | 8,676 | 912 | | | | |
| 42 | Scottish | | Jan 2008 | 258,973 | 16.93% | 2 | 257,456 | 17.02% | 1 | 195,399 | 7.73% | 25,861 | 7,522 | 17.00% | 23.20% | 5 | 51,491 | 5,172 | 682 | | | | |
| 43 | Chesham | | Nov 2007 | * 253,933 | 13.73% | 5 | 253,933 | 13.73% | 4 | 191,747 | 8.12% | 15,358 | 12,485 | 18.85% | 25.30% | 3 | 84,644 | 5,119 | 652 | | | | |
| 44 | Vernon | | Dec 2007 | 246,071 | 3.09% | 20 | 246,080 | 3.09% | 20 | 187,719 | 7.28% | 34,249 | 5,451 | 18.69% | 19.60% | 7 | 35,154 | 4,893 | 400 | | | | |
| | | | | Total Peer Gp | | | Total Peer Gp | | | | | | | | | | | | | | | | |
| | | | | 11,225,134 | | | 11,194,011 | | | | | | | | | | | | | | | | |
| Average of Peer Group Societies | | | | 8.70% | | | 8.51% | | | 7.56% | | 8,275 | | 15.38% | | 24.63% | | 101,685 | | 8,193 | | 1,081 | |

* denotes no Group: therefore Society total assets included as Group

Source: KPMG LLP (UK)



Peer Group 2

Table 2a: Group Profitability Ratios

Table 2b: Group Reserves and Capital

| Asset ranking | Society | IFRS | Year End | Group Profit | Growth | Group/Society Profit for Year/Mean Assets | Group Net Interest Margin | Group Cost / Income Ratio | Group ManEx / Mean Assets | | (Group ManEx – Other Income) / Mean Assets | PIBS | Subordinated Debt | General Reserves | IFRS Reserves | Revaluation Reserve | Total Reserves/ Total Assets | Gross Capital | Free Capital |
|---------------------------------|-------------------|------|----------|--------------|---------|---|---------------------------|---------------------------|---------------------------|-----|--|--------|-------------------|------------------|---------------|---------------------|------------------------------|---------------|--------------|
| | | | | £'000 | % | | % | % | % | % | | Rank | % | £'000 | £'000 | £'000 | £'000 | £'000 | % |
| 22 | Furness | | Dec 2007 | 3,678 | 7.83% | 0.44% | 1.38% | 55.41% | 0.91% | 5 | 0.65% | 0 | 4,944 | 52,340 | - | 0 | 6.20% | 7.30% | 7.13% |
| 23 | Cambridge | | Dec 2007 | 3,227 | 34.91% | 0.40% | 1.79% | 67.83% | 1.26% | 13 | 1.20% | 0 | 0 | 52,338 | - | 0 | 6.20% | 6.66% | 5.69% |
| 24 | Leek United | | Dec 2007 | 2,974 | 48.40% | 0.39% | 1.26% | 60.56% | 0.87% | 1 | 0.70% | 0 | 0 | 43,068 | - | 1,113 | 5.52% | 5.89% | 5.57% |
| 25 | Manchester | I | Dec 2007 | 4,338 | 24.51% | 0.59% | 1.62% | 46.32% | 0.98% | 7 | 0.48% | 14,788 | 11,500 | 30,241 | 0 | 0 | 3.82% | 7.80% | 6.50% |
| 26 | Saffron | | Dec 2007 | 3,085 | 84.62% | 0.41% | 1.42% | 68.54% | 1.00% | 8 | 0.96% | 0 | 10,000 | 36,730 | - | 0 | 4.68% | 6.40% | 5.70% |
| 27 | Hinckley & Rugby | | Nov 2007 | n/a | n/a | 0.31% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 41,839 | - | 0 | 5.87% | 6.30% | 5.90% |
| 28 | Darlington | | Dec 2007 | 1,503 | 17.42% | 0.20% | 1.45% | 76.17% | 1.14% | 11 | 1.10% | 0 | 0 | 40,243 | - | 0 | 5.84% | 6.20% | 5.60% |
| 29 | Monmouthshire | | Apr 2008 | 2,639 | 8.16% | 0.47% | 1.45% | 53.72% | 0.87% | 3 | 0.70% | 0 | 0 | 31,847 | - | 0 | 5.25% | 5.57% | 4.87% |
| 30 | Newbury | | Oct 2007 | 1,749 | 9.79% | 0.30% | 1.25% | 67.30% | 0.87% | 2 | 0.83% | 0 | 0 | 31,149 | - | 1,428 | 5.39% | 5.72% | 4.90% |
| 31 | Melton Mowbray | | Dec 2007 | 434 | -62.84% | 0.10% | 1.23% | 82.10% | 1.34% | 14 | 0.94% | 0 | 0 | 37,152 | - | 1,635 | 8.84% | 9.73% | 7.46% |
| 32 | Market Harborough | | Dec 2007 | 1,124 | 16.00% | 0.27% | 1.25% | 71.84% | 0.98% | 6 | 0.87% | 0 | 0 | 26,244 | - | 0 | 6.27% | 6.71% | 6.30% |
| 33 | Ipswich | | Nov 2007 | n/a | n/a | 0.17% | n/a | n/a | n/a | n/a | n/a | 0 | 7,438 | 18,918 | - | 0 | 4.69% | 7.03% | 6.11% |
| 34 | Barnsley | | Dec 2007 | n/a | n/a | 0.32% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 22,549 | - | 0 | 6.00% | 6.45% | 5.69% |
| 35 | Marsden | | Dec 2007 | 1,092 | 65.71% | 0.31% | 1.76% | 81.66% | 1.57% | 16 | 1.41% | 0 | 0 | 28,968 | - | 507 | 8.29% | 9.10% | 8.13% |
| 36 | Tipton & Coseley | | Dec 2007 | n/a | n/a | 0.45% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 21,881 | - | 349 | 6.35% | 6.81% | 6.29% |
| 37 | Hanley Economic | | Aug 2007 | 1,721 | 24.08% | 0.52% | 1.72% | 58.00% | 1.17% | 12 | 0.87% | 0 | 0 | 25,070 | - | 0 | 7.35% | 7.98% | 7.10% |
| 38 | Dudley | | Mar 2008 | 927 | -5.60% | 0.34% | 1.63% | 65.69% | 1.04% | 9 | 1.09% | 0 | 0 | 15,570 | - | 0 | 5.40% | 5.75% | 5.72% |
| 39 | Mansfield | | Dec 2007 | n/a | n/a | 0.20% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 17,886 | - | 690 | 6.49% | 6.97% | 6.49% |
| 40 | Teachers | | Dec 2007 | 959 | 45.08% | 0.36% | 1.25% | 64.22% | 0.88% | 4 | 0.76% | 0 | 0 | 18,391 | - | 106 | 6.84% | 7.39% | 7.49% |
| 41 | Loughborough | | Oct 2007 | n/a | n/a | 0.40% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 16,347 | - | 730 | 6.56% | 7.08% | 6.89% |
| 42 | Scottish | | Jan 2008 | 856 | 22.81% | 0.36% | 2.02% | 72.73% | 1.40% | 15 | 1.50% | 0 | 0 | 23,683 | - | 0 | 9.14% | 10.10% | 9.40% |
| 43 | Chesham | | Nov 2007 | n/a | n/a | 0.29% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 15,612 | - | 0 | 6.15% | 6.61% | 5.93% |
| 44 | Vernon | | Dec 2007 | 768 | 27.15% | 0.32% | 1.48% | 70.88% | 1.14% | 10 | 1.01% | 0 | 0 | 14,977 | - | 0 | 6.09% | 6.52% | 5.79% |
| Average of Peer Group Societies | | | | | 23.00% | 0.34% | 1.50% | 66.44% | 1.09% | | 0.94% | | | | | | 6.23% | 7.05% | 6.38% |

Source: KPMG LLP (UK)



Peer Group 2

Table 3: Society Profitability Ratios

| Asset ranking | Society | IFRS | Year End | Society Profit | Growth | Net Interest | Interest | Interest | Interest | Other Income | Cost/Income | Mortgage Loss | Total ManEx | ManEx / Mean Assets | ManEx - | |
|---------------------------------|-------------------|------|----------|----------------|---------|---------------|--------------|-------------|------------|--------------|-------------|-------------------|-------------|---------------------|---------|----------------|
| | | | | for Year | % | Margin / Mean | Receivable / | Payable / | Spread for | & Charges / | Ratio | Provision Charge | £'000 | % | Rank | Other Income / |
| | | | | £'000 | % | Assets | Mean FSRP | Mean Shares | Members | Total Income | % | (Credit) for Year | £'000 | % | Rank | Mean Assets |
| | | | | | | % | % | % | % | % | % | / Profit pre- | | | | % |
| | | | | | | | | | | | | Provision % | | | | % |
| 22 | Furness | | Dec 2007 | 3,822 | 13.45% | 1.35% | 6.08% | 4.99% | 1.09% | 12.12% | 55.70% | 2.58% | 7,112 | 0.86% | 6 | 0.67% |
| 23 | Cambridge | | Dec 2007 | 3,141 | 35.39% | 1.78% | 6.10% | 4.58% | 1.52% | 6.47% | 68.72% | 2.25% | 10,447 | 1.27% | 20 | 1.21% |
| 24 | Leek United | | Dec 2007 | 2,898 | 47.78% | 1.26% | 6.09% | 4.94% | 1.15% | 13.25% | 61.14% | 4.61% | 6,522 | 0.85% | 5 | 0.72% |
| 25 | Manchester | I | Dec 2007 | 6,015 | 66.85% | 1.36% | 6.74% | 4.94% | 1.80% | 25.81% | 35.10% | 5.21% | 4,579 | 0.64% | 1 | 0.19% |
| 26 | Saffron | | Dec 2007 | 3,210 | 86.41% | 1.24% | 5.98% | 4.97% | 1.01% | 13.33% | 66.95% | 8.94% | 7,117 | 0.95% | 11 | 0.77% |
| 27 | Hinckley & Rugby | | Nov 2007 | 2,148 | 9.09% | 1.15% | 5.45% | 4.51% | 0.94% | 7.75% | 64.55% | -0.03% | 5,602 | 0.80% | 3 | 0.71% |
| 28 | Darlington | | Dec 2007 | 1,675 | 87.99% | 1.43% | 5.94% | 4.48% | 1.46% | 6.15% | 74.14% | 3.74% | 7,280 | 1.13% | 17 | 1.03% |
| 29 | Monmouthshire | | Apr 2008 | 2,684 | 8.10% | 1.45% | 6.58% | 5.01% | 1.57% | 3.32% | 50.22% | 10.77% | 4,297 | 0.76% | 2 | 0.70% |
| 30 | Newbury | | Oct 2007 | 1,572 | 4.11% | 1.22% | 5.72% | 4.77% | 0.95% | 6.14% | 69.40% | 2.40% | 5,101 | 0.87% | 8 | 0.84% |
| 31 | Melton Mowbray | | Dec 2007 | 926 | -24.59% | 1.26% | 5.96% | 4.81% | 1.15% | 20.41% | 70.99% | -7.52% | 4,684 | 1.10% | 15 | 0.81% |
| 32 | Market Harborough | | Dec 2007 | 1,053 | 16.35% | 1.23% | 5.81% | 4.64% | 1.17% | 12.49% | 72.87% | -3.22% | 3,973 | 0.97% | 12 | 0.87% |
| 33 | Ipswich | | Nov 2007 | 654 | -19.56% | 1.57% | 5.93% | 4.40% | 1.53% | 8.00% | 86.93% | 0.82% | 5,648 | 1.48% | 22 | 1.35% |
| 34 | Barnsley | | Dec 2007 | 1,172 | 73.89% | 1.54% | 5.93% | 4.47% | 1.46% | 10.97% | 71.05% | 4.64% | 4,444 | 1.20% | 19 | 1.05% |
| 35 | Marsden | | Dec 2007 | 1,085 | 66.41% | 1.76% | 6.24% | 4.49% | 1.75% | 8.14% | 81.75% | 27.62% | 5,541 | 1.57% | 23 | 1.41% |
| 36 | Tipton & Coseley | | Dec 2007 | 1,487 | 14.21% | 1.35% | 6.05% | 4.81% | 1.24% | 11.99% | 56.49% | 3.38% | 2,878 | 0.86% | 7 | 0.68% |
| 37 | Hanley Economic | | Aug 2007 | 1,302 | 12.92% | 1.59% | 6.39% | 4.62% | 1.77% | 12.62% | 62.28% | 11.77% | 3,676 | 1.11% | 16 | 0.92% |
| 38 | Dudley | | Mar 2008 | 927 | -8.67% | 1.63% | 6.63% | 4.94% | 1.69% | 5.15% | 65.69% | 7.44% | 2,807 | 1.04% | 14 | 1.09% |
| 39 | Mansfield | | Dec 2007 | 533 | 6.39% | 1.17% | 5.96% | 4.87% | 1.09% | 5.38% | 79.94% | -11.28% | 2,686 | 0.99% | 13 | 0.93% |
| 40 | Teachers | | Dec 2007 | 884 | 36.21% | 1.25% | 6.37% | 5.33% | 1.04% | 5.58% | 64.86% | 5.46% | 2,263 | 0.84% | 4 | 0.79% |
| 41 | Loughborough | | Oct 2007 | 1,007 | 34.45% | 1.50% | 6.00% | 4.77% | 1.23% | 3.83% | 61.10% | 3.47% | 2,351 | 0.94% | 9 | 0.90% |
| 42 | Scottish | | Jan 2008 | 805 | 26.97% | 1.97% | 6.14% | 4.49% | 1.65% | 0.82% | 73.22% | 2.75% | 3,278 | 1.37% | 21 | 1.47% |
| 43 | Chesham | | Nov 2007 | 683 | 24.18% | 1.28% | 5.93% | 4.87% | 1.06% | 7.84% | 68.71% | 2.90% | 2,271 | 0.95% | 10 | 0.84% |
| 44 | Vernon | | Dec 2007 | 768 | 27.15% | 1.48% | 5.97% | 4.60% | 1.37% | 10.27% | 70.88% | 2.20% | 2,762 | 1.14% | 18 | 1.01% |
| Average of Peer Group Societies | | | | | 28.06% | 1.43% | 6.09% | 4.75% | 1.33% | 9.47% | 66.64% | 3.95% | | 1.03% | | 0.91% |

Source: KPMG LLP (UK)



Peer Group 2

Table 4: Society Staff Ratios, Pension Costs & Group IAS19/FRS17 Data

| Asset ranking | Society | IFRS | Year End | Society staff costs | | | | Society pension costs | | | Group IAS19/FRS17 disclosures | | | | | | |
|---------------------------------|-------------------|------|----------|-----------------------|-------------------------|-------------------------------------|---|--------------------------------------|---|---------------------------|-------------------------------|-------------------------|---------------------------------------|-----------------|-----------------------------|------|------|
| | | | | Total Number of Staff | Total Staff Costs £'000 | Staff Costs per Staff £'000 / staff | Profit for Year per Staff £'000 / staff | Total Assets per Staff £'000 / staff | Total wages and salaries ('TW&S') £'000 | Other pension costs £'000 | Pension costs / TW&S % | Defined Benefit Scheme? | Group IAS19/FRS17 (Deficit) / Surplus | | Key IAS19/FRS17 assumptions | | |
| | | | | | | | | | | | After def. tax £'000 | % of Gen Reserves | Salary increase % | Discount rate % | Inflation rate % | | |
| 22 | Furness | | Dec 2007 | 124 | 3,259 | 26.39 | 30.95 | 6,840 | 2,756 | 266 | 9.65% | Y - Closed | -542 | 1.04% | 4.35 | 5.70 | 3.30 |
| 23 | Cambridge | | Dec 2007 | 180 | 4,940 | 27.52 | 17.50 | 4,725 | 4,018 | 541 | 13.46% | Y - Closed | -1,813 | 3.46% | 4.90 | 5.80 | 3.40 |
| 24 | Leek United | | Dec 2007 | 125 | 3,650 | 29.32 | 23.28 | 6,421 | 2,815 | 603 | 21.42% | Y - Closed | -3,077 | 7.14% | 4.50 | 5.80 | 3.25 |
| 25 | Manchester | I | Dec 2007 | 75 | 2,727 | 36.60 | 80.74 | 10,267 | 2,278 | 197 | 8.65% | No | n/a | n/a | n/a | n/a | n/a |
| 26 | Saffron | | Dec 2007 | 130 | 3,953 | 30.41 | 24.69 | 6,029 | 3,339 | 346 | 10.36% | Y - Closed | 522 | -1.42% | 3.25 | 5.80 | 3.25 |
| 27 | Hinckley & Rugby | | Nov 2007 | 104 | 3,474 | 33.57 | 20.75 | 6,881 | 2,667 | 560 | 21.00% | Y - Open | 537 | -1.28% | 4.40 | 5.70 | 3.40 |
| 28 | Darlington | | Dec 2007 | 123 | 3,666 | 29.80 | 13.62 | 5,583 | 2,932 | 460 | 15.69% | Y - Open | -702 | 1.74% | 4.00 | 5.60 | 3.25 |
| 29 | Monmouthshire | | Apr 2008 | 85 | 2,654 | 31.22 | 31.58 | 7,135 | 2,232 | 211 | 9.45% | Y - Open | 326 | -1.02% | 3.70 | 6.10 | 3.70 |
| 30 | Newbury | | Oct 2007 | 89 | 2,780 | 31.41 | 17.76 | 6,823 | 2,298 | 223 | 9.70% | No | n/a | n/a | n/a | n/a | n/a |
| 31 | Melton Mowbray | | Dec 2007 | 72 | 2,888 | 40.11 | 12.86 | 6,097 | 1,764 | 968 | 54.88% | Y - Open | 8,156 | -21.95% | 4.70 | 5.90 | 3.40 |
| 32 | Market Harborough | | Dec 2007 | 74 | 2,045 | 27.64 | 14.23 | 5,647 | 1,738 | 134 | 7.71% | Y - Closed | 9 | -0.03% | n/a | 5.90 | 3.40 |
| 33 | Ipswich | | Nov 2007 | 91 | 2,749 | 30.38 | 7.23 | 4,454 | 2,278 | 176 | 7.73% | Y - Closed | -67 | 0.35% | n/a | 6.10 | 3.50 |
| 34 | Barnsley | | Dec 2007 | 83 | 2,334 | 28.12 | 14.12 | 4,526 | 1,853 | 348 | 18.78% | Y - Open | -1,425 | 6.32% | 4.65 | 5.65 | 3.50 |
| 35 | Marsden | | Dec 2007 | 95 | 3,231 | 34.01 | 11.42 | 3,743 | 2,563 | 397 | 15.49% | No | n/a | n/a | n/a | n/a | n/a |
| 36 | Tipton & Coseley | | Dec 2007 | 58 | 1,762 | 30.38 | 25.64 | 6,040 | 1,424 | 196 | 13.76% | Y - Open | -161 | 0.74% | 4.50 | 5.70 | 3.00 |
| 37 | Hanley Economic | | Aug 2007 | 57 | 2,004 | 35.16 | 22.84 | 5,960 | 1,723 | 98 | 5.69% | No | n/a | n/a | n/a | n/a | n/a |
| 38 | Dudley | | Mar 2008 | 56 | 1,522 | 27.42 | 16.70 | 5,192 | 1,188 | 209 | 17.59% | Y - Closed | -302 | 1.94% | 4.20 | 5.40 | 3.60 |
| 39 | Mansfield | | Dec 2007 | 52 | 1,505 | 29.22 | 10.35 | 5,556 | 1,306 | 78 | 5.97% | Y - Closed | -25 | 0.14% | n/a | 5.80 | 3.30 |
| 40 | Teachers | | Dec 2007 | 31 | 1,081 | 35.44 | 28.98 | 8,872 | 913 | 60 | 6.57% | Y - Closed | -92 | 0.50% | 4.00 | 5.80 | 3.50 |
| 41 | Loughborough | | Oct 2007 | 45 | 1,140 | 25.62 | 22.63 | 5,846 | 978 | 66 | 6.75% | No | n/a | n/a | n/a | n/a | n/a |
| 42 | Scottish | | Jan 2008 | 50 | 1,554 | 31.39 | 16.26 | 5,201 | 1,226 | 210 | 17.13% | No | n/a | n/a | n/a | n/a | n/a |
| 43 | Chesham | | Nov 2007 | 30 | 1,124 | 37.47 | 22.77 | 8,464 | 963 | 59 | 6.13% | No | n/a | n/a | n/a | n/a | n/a |
| 44 | Vernon | | Dec 2007 | 60 | 1,544 | 25.95 | 12.91 | 4,136 | 1,317 | 107 | 8.12% | No | n/a | n/a | n/a | n/a | n/a |
| Average of Peer Group Societies | | | | | | 31.07 | 21.73 | 6,106 | | | 13.55% | | | -0.16% | 4.26 | 5.78 | 3.38 |

Source: KPMG LLP (UK)



Peer Group 2

Table 5: Group Loans and Advances (1): Arrears and Provisions

| Asset ranking | Society | IFRS Year End | Lending Limit % | Group/Society Gross Mortgage Lending | | Group FSRP Loans | | FSOL Loans | | Other Loans | | Group / Society Arrears 12 months and over Number | Total Year End Mortgage Provisions £'000 | FSRP Provisions | | | | FSOL Provisions | |
|---------------------------------|-------------------|---------------|-----------------|--------------------------------------|-----------------------|------------------|------------|------------|------------|-------------|------------|---|--|------------------------|--------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
| | | | | £'000 | % to total P/Yr loans | £'000 | Increase % | £'000 | Increase % | £'000 | Increase % | | | Charge/ (Credit) £'000 | Year End Provision £'000 | Charge/ (Credit) to FSRP Loans % | Provision to FSRP Loans % | Charge/ (Credit) to FSOL Loans % | Provision to FSOL Loans % |
| 22 | Furness | Dec 2007 | 4.38% | 160,200 | 24.22% | 637,740 | 1.51% | 28,873 | -13.40% | 0 | n/a | 13 | 1,777 | 775 | 1,777 | 0.12% | 0.28% | 0.00% | 0.00% |
| 23 | Cambridge | Dec 2007 | 7.80% | 165,000 | 29.29% | 549,300 | 7.35% | 45,332 | -12.09% | 0 | n/a | 6 | 300 | 107 | 300 | 0.02% | 0.05% | 0.00% | 0.00% |
| 24 | Leek United | Dec 2007 | 0.42% | 172,000 | 28.76% | 639,259 | 7.38% | 2,009 | -26.06% | 0 | n/a | 2 | 650 | 200 | 650 | 0.03% | 0.10% | 0.00% | 0.00% |
| 25 | Manchester | I Dec 2007 | 13.10% | 121,700 | 21.94% | 528,177 | 6.00% | 50,108 | -11.23% | 24,741 | n/a | 11 | 4,177 | 2,188 | 3,572 | 0.41% | 0.67% | 0.00% | 0.40% |
| 26 | Saffron | Dec 2007 | 1.50% | 174,000 | 33.39% | 582,228 | 13.34% | 6,583 | -11.74% | 0 | n/a | 1 | 1,506 | 146 | 1,496 | 0.03% | 0.26% | -0.03% | 0.15% |
| 27 | Hinckley & Rugby | Nov 2007 | 1.50% | 132,600 | 24.83% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 28 | Darlington | Dec 2007 | 7.60% | 157,900 | 32.65% | 508,818 | 12.15% | 27,246 | -2.29% | 1,834 | -6.57% | 4 | 206 | 0 | 111 | 0.00% | 0.02% | 0.35% | 0.35% |
| 29 | Monmouthshire | Apr 2008 | 10.40% | 132,000 | 33.09% | 414,299 | 15.49% | 46,322 | 15.20% | 0 | n/a | 10 | 1,739 | 359 | 1,447 | 0.09% | 0.35% | 0.21% | 0.63% |
| 30 | Newbury | Oct 2007 | 4.75% | 134,000 | 29.91% | 468,046 | 10.08% | 22,590 | -0.90% | 0 | n/a | 4 | 514 | 55 | 286 | 0.01% | 0.06% | -0.01% | 1.00% |
| 31 | Melton Mowbray | Dec 2007 | 5.85% | 68,200 | 21.65% | 296,837 | -4.01% | 5,995 | 30.95% | 0 | -100.00% | 0 | 197 | -39 | 194 | -0.01% | 0.07% | 0.00% | 0.05% |
| 32 | Market Harborough | Dec 2007 | 0.64% | 87,210 | 28.03% | 330,045 | 7.03% | 1,556 | -44.01% | 0 | n/a | 0 | 160 | -46 | 160 | -0.01% | 0.05% | 0.00% | 0.00% |
| 33 | Ipswich | Nov 2007 | 1.10% | 85,430 | 31.87% | n/a | n/a | n/a | n/a | n/a | n/a | 11 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 34 | Barnsley | Dec 2007 | 0.59% | 61,500 | 22.19% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 35 | Marsden | Dec 2007 | 3.03% | 75,600 | 30.81% | 248,692 | 3.87% | 5,864 | -2.12% | 0 | n/a | 1 | 1,105 | -79 | 177 | -0.03% | 0.07% | 5.79% | 13.66% |
| 36 | Tipton & Coseley | Dec 2007 | 5.79% | 73,240 | 29.11% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 37 | Hanley Economic | Aug 2007 | 5.00% | 45,900 | 19.30% | 215,541 | -4.73% | 10,802 | -6.81% | 0 | n/a | 0 | 910 | 525 | 898 | 0.24% | 0.41% | 0.00% | 0.11% |
| 38 | Dudley | Mar 2008 | 1.93% | 61,800 | 30.72% | 222,510 | 13.29% | 4,084 | -14.60% | 0 | n/a | 0 | 480 | 110 | 432 | 0.05% | 0.19% | -0.02% | 1.16% |
| 39 | Mansfield | Dec 2007 | 2.26% | 61,540 | 29.73% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 40 | Teachers | Dec 2007 | 3.11% | 43,000 | 20.54% | 204,340 | 0.11% | 5,986 | 13.59% | 0 | n/a | 2 | 755 | 86 | 755 | 0.04% | 0.37% | 0.00% | 0.00% |
| 41 | Loughborough | Oct 2007 | 7.33% | 61,810 | 31.49% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 42 | Scottish | Jan 2008 | 10.40% | 67,200 | 38.41% | 181,516 | 15.10% | 20,871 | 20.98% | 0 | n/a | 0 | 231 | 33 | 231 | 0.02% | 0.13% | 0.00% | 0.00% |
| 43 | Chesham | Nov 2007 | 2.76% | 54,400 | 30.86% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 44 | Vernon | Dec 2007 | 9.09% | 40,800 | 20.68% | 181,124 | 1.52% | 17,602 | -6.58% | 0 | n/a | 0 | 245 | 31 | 156 | 0.02% | 0.09% | -0.03% | 0.50% |
| Average of Peer Group Societies | | | 4.80% | | 27.98% | | 6.59% | | -4.44% | | -53.29% | | | | | 0.06% | 0.20% | 0.39% | 1.13% |

Source: KPMG LLP (UK)



Peer Group 2

Table 6: Society Loans and Advances (1): Provisions

| Asset ranking | Society | IFRS | Year End | Lending Limit % | Number of Society Borrowers | Society FSRP Loans | | FSOL Loans | | Other Loans | | Total Year End Mortgage Provisions £'000 | Charge/ (Credit) £'000 | FSRP Provisions | | | FSOL Provisions | |
|---------------------------------|-------------------|------|----------|-----------------|-----------------------------|--------------------|------------|------------|------------|-------------|------------|--|------------------------|--------------------------|--------------------|---------------------------|--------------------|---------------------------|
| | | | | | | £'000 | Increase % | £'000 | Increase % | £'000 | Increase % | | | Year End Provision £'000 | Charge/ (Credit) % | Provision to FSRP Loans % | Charge/ (Credit) % | Provision to FSOL Loans % |
| 22 | Furness | | Dec 2007 | 4.38% | 10,664 | 622,706 | 3.25% | 28,873 | -13.40% | 0 | n/a | 1,077 | 146 | 1,077 | 0.02% | 0.17% | 0.00% | 0.00% |
| 23 | Cambridge | | Dec 2007 | 7.80% | 6,813 | 549,300 | 7.35% | 45,332 | -12.09% | 0 | n/a | 300 | 107 | 300 | 0.02% | 0.05% | 0.00% | 0.00% |
| 24 | Leek United | | Dec 2007 | 0.42% | 8,920 | 638,305 | 7.43% | 2,009 | -25.84% | 0 | n/a | 650 | 200 | 650 | 0.03% | 0.10% | 0.00% | 0.00% |
| 25 | Manchester | I | Dec 2007 | 13.10% | 5,000 | 508,317 | 2.56% | 50,053 | -11.33% | 0 | n/a | 2,025 | 441 | 1,825 | 0.09% | 0.36% | 0.00% | 0.40% |
| 26 | Saffron | | Dec 2007 | 1.50% | 7,939 | 518,024 | 13.90% | 6,583 | -11.74% | 0 | n/a | 1,160 | 316 | 1,150 | 0.06% | 0.22% | -0.03% | 0.15% |
| 27 | Hinckley & Rugby | | Nov 2007 | 1.50% | 10,000 | 533,550 | 0.82% | 2,679 | -43.81% | 0 | n/a | 400 | -1 | 370 | 0.00% | 0.07% | 0.00% | 1.11% |
| 28 | Darlington | | Dec 2007 | 7.60% | 8,103 | 501,614 | 13.25% | 27,246 | -2.29% | 1,834 | -6.57% | 206 | 0 | 111 | 0.00% | 0.02% | 0.35% | 0.35% |
| 29 | Monmouthshire | | Apr 2008 | 10.40% | 4,714 | 414,299 | 15.49% | 46,322 | 15.20% | 0 | n/a | 1,739 | 359 | 1,447 | 0.09% | 0.35% | 0.21% | 0.63% |
| 30 | Newbury | | Oct 2007 | 4.75% | 5,516 | 428,078 | 12.23% | 7,712 | 0.72% | 0 | n/a | 362 | 53 | 284 | 0.01% | 0.07% | 0.01% | 1.00% |
| 31 | Melton Mowbray | | Dec 2007 | 5.85% | 6,339 | 286,632 | -7.31% | 5,995 | 30.95% | 0 | -100.00% | 146 | -90 | 143 | -0.03% | 0.05% | 0.00% | 0.05% |
| 32 | Market Harborough | | Dec 2007 | 0.64% | 7,519 | 326,097 | 7.33% | 1,556 | -44.01% | 3,009 | -18.76% | 125 | -46 | 125 | -0.01% | 0.04% | 0.00% | 0.00% |
| 33 | Ipswich | | Nov 2007 | 1.10% | 6,291 | 278,845 | 5.17% | 2,859 | -2.42% | 0 | n/a | 723 | 7 | 723 | 0.00% | 0.26% | 0.00% | 0.00% |
| 34 | Barnsley | | Dec 2007 | 0.59% | 5,903 | 271,541 | -1.59% | 1,325 | 11.16% | 0 | n/a | 250 | 84 | 250 | 0.03% | 0.09% | 0.00% | 0.00% |
| 35 | Marsden | | Dec 2007 | 3.03% | 5,035 | 248,692 | 3.87% | 5,864 | -2.12% | 0 | n/a | 1,105 | -79 | 177 | -0.03% | 0.07% | 5.79% | 13.66% |
| 36 | Tipton & Coseley | | Dec 2007 | 5.79% | 6,312 | 262,265 | 10.22% | 14,729 | 7.77% | 0 | n/a | 333 | 74 | 313 | 0.03% | 0.12% | 0.03% | 0.14% |
| 37 | Hanley Economic | | Aug 2007 | 5.00% | 4,706 | 189,878 | 0.74% | 10,802 | -6.81% | 0 | n/a | 816 | 514 | 804 | 0.27% | 0.42% | 0.00% | 0.11% |
| 38 | Dudley | | Mar 2008 | 1.93% | n/a | 222,510 | 13.29% | 4,084 | -14.60% | 0 | n/a | 480 | 110 | 432 | 0.05% | 0.19% | -0.02% | 1.16% |
| 39 | Mansfield | | Dec 2007 | 2.26% | 4,679 | 218,367 | 8.16% | 4,499 | -11.89% | 0 | n/a | 336 | -43 | 311 | -0.02% | 0.14% | -0.73% | 0.55% |
| 40 | Teachers | | Dec 2007 | 3.11% | 2,701 | 204,340 | 0.11% | 5,986 | 13.59% | 0 | n/a | 755 | 86 | 755 | 0.04% | 0.37% | 0.00% | 0.00% |
| 41 | Loughborough | | Oct 2007 | 7.33% | 2,736 | 194,619 | 7.88% | 14,916 | -6.25% | 0 | n/a | 618 | 64 | 429 | 0.03% | 0.22% | -0.08% | 1.25% |
| 42 | Scottish | | Jan 2008 | 10.40% | 3,411 | 179,537 | 15.57% | 20,871 | 20.98% | 0 | n/a | 229 | 33 | 229 | 0.02% | 0.13% | 0.00% | 0.00% |
| 43 | Chesham | | Nov 2007 | 2.76% | 1,956 | 187,060 | 8.55% | 5,071 | 28.80% | 0 | n/a | 215 | 30 | 205 | 0.02% | 0.11% | 0.00% | 0.20% |
| 44 | Vernon | | Dec 2007 | 9.09% | 2,797 | 181,124 | 1.52% | 17,602 | -6.58% | 0 | n/a | 245 | 31 | 156 | 0.02% | 0.09% | -0.03% | 0.50% |
| Average of Peer Group Societies | | | | 4.80% | | | 6.51% | | -3.74% | | -41.78% | | | | 0.03% | 0.16% | 0.24% | 0.92% |

Source: KPMG LLP (UK)



Peer Group 2

Table 7: Group Loans and Advances (2): Provisions

| Asset ranking | Society | IFRS | Year End | Loans Fully Secured on Residential Property FSRP | | | | | Loans Fully Secured on Land FSOL | | | | | | |
|---------------------------------|-------------------|------|----------|--|-----------------------------|---------------------------------------|---------------------------------------|--|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--|--|--|
| | | | | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSRP % | Specific Provision/ Total FSRP % | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSOL % | Specific Provision/ Total FSOL % | | |
| 22 | Furness | | Dec 2007 | 820 | 957 | 86% | 0.13% | 0.15% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 23 | Cambridge | | Dec 2007 | 300 | 0 | n/a | 0.05% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 24 | Leek United | | Dec 2007 | 650 | 0 | n/a | 0.10% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 25 | Manchester | I | Dec 2007 | 991 | 2,581 | 38% | 0.19% | 0.49% | 200 | 0 | n/a | 0.40% | 0.00% | | |
| 26 | Saffron | | Dec 2007 | 1,017 | 479 | 212% | 0.17% | 0.08% | 10 | 0 | n/a | 0.15% | 0.00% | | |
| 27 | Hinckley & Rugby | | Nov 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 28 | Darlington | | Dec 2007 | 102 | 9 | 1133% | 0.02% | 0.00% | 0 | 95 | n/a | 0.00% | 0.35% | | |
| 29 | Monmouthshire | | Apr 2008 | 1,271 | 176 | 722% | 0.31% | 0.04% | 17 | 275 | 6% | 0.04% | 0.59% | | |
| 30 | Newbury | | Oct 2007 | 286 | 0 | n/a | 0.06% | 0.00% | 228 | 0 | n/a | 1.00% | 0.00% | | |
| 31 | Melton Mowbray | | Dec 2007 | 194 | 0 | n/a | 0.07% | 0.00% | 3 | 0 | n/a | 0.05% | 0.00% | | |
| 32 | Market Harborough | | Dec 2007 | 160 | 0 | n/a | 0.05% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 33 | Ipswich | | Nov 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 34 | Barnsley | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 35 | Marsden | | Dec 2007 | 100 | 77 | 130% | 0.04% | 0.03% | 150 | 778 | 19% | 2.21% | 11.45% | | |
| 36 | Tipton & Coseley | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 37 | Hanley Economic | | Aug 2007 | 272 | 626 | 43% | 0.13% | 0.29% | 12 | 0 | n/a | 0.11% | 0.00% | | |
| 38 | Dudley | | Mar 2008 | 316 | 116 | 272% | 0.14% | 0.05% | 48 | 0 | n/a | 1.16% | 0.00% | | |
| 39 | Mansfield | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 40 | Teachers | | Dec 2007 | 755 | 0 | n/a | 0.37% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 41 | Loughborough | | Oct 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 42 | Scottish | | Jan 2008 | 216 | 15 | 1440% | 0.12% | 0.01% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 43 | Chesham | | Nov 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 44 | Vernon | | Dec 2007 | 155 | 1 | 15500% | 0.09% | 0.00% | 89 | 0 | n/a | 0.50% | 0.00% | | |
| | | | | Total | Total | Peer Gp Ratio | | | | Total | Total | Peer Gp Ratio | | | |
| | | | | 7,605 | 5,037 | 151% | | | | 757 | 1,148 | 66% | | | |
| Average of Peer Group Societies | | | | | | | 0.13% | 0.07% | | | | 0.35% | 0.77% | | |

Source: KPMG LLP (UK)



Peer Group 2

Table 8: Society Loans and Advances (2): Provisions

| Asset ranking | Society | IFRS | Year End | Loans Fully Secured on Residential Property FSRP | | | | | Loans Fully Secured on Land FSOL | | | | | | |
|---------------------------------|-------------------|------|----------|--|-----------------------------|---------------------------------------|---------------------------------------|--|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--|--|--|
| | | | | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSRP % | Specific Provision/ Total FSRP % | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSOL % | Specific Provision/ Total FSOL % | | |
| 22 | Furness | | Dec 2007 | 750 | 327 | 229% | 0.12% | 0.05% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 23 | Cambridge | | Dec 2007 | 300 | 0 | n/a | 0.05% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 24 | Leek United | | Dec 2007 | 650 | 0 | n/a | 0.10% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 25 | Manchester | I | Dec 2007 | 991 | 834 | 119% | 0.19% | 0.16% | 200 | 0 | n/a | 0.40% | 0.00% | | |
| 26 | Saffron | | Dec 2007 | 787 | 363 | 217% | 0.15% | 0.07% | 10 | 0 | n/a | 0.15% | 0.00% | | |
| 27 | Hinckley & Rugby | | Nov 2007 | 370 | 0 | n/a | 0.07% | 0.00% | 30 | 0 | n/a | 1.11% | 0.00% | | |
| 28 | Darlington | | Dec 2007 | 102 | 9 | 1133% | 0.02% | 0.00% | 0 | 95 | n/a | 0.00% | 0.35% | | |
| 29 | Monmouthshire | | Apr 2008 | 1,271 | 176 | 722% | 0.31% | 0.04% | 17 | 275 | 6% | 0.04% | 0.59% | | |
| 30 | Newbury | | Oct 2007 | 284 | 0 | n/a | 0.07% | 0.00% | 78 | 0 | n/a | 1.00% | 0.00% | | |
| 31 | Melton Mowbray | | Dec 2007 | 143 | 0 | n/a | 0.05% | 0.00% | 3 | 0 | n/a | 0.05% | 0.00% | | |
| 32 | Market Harborough | | Dec 2007 | 125 | 0 | n/a | 0.04% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 33 | Ipswich | | Nov 2007 | 631 | 92 | 686% | 0.23% | 0.03% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 34 | Barnsley | | Dec 2007 | 250 | 0 | n/a | 0.09% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 35 | Marsden | | Dec 2007 | 100 | 77 | 130% | 0.04% | 0.03% | 150 | 778 | 19% | 2.21% | 11.45% | | |
| 36 | Tipton & Coseley | | Dec 2007 | 304 | 9 | 3378% | 0.12% | 0.00% | 20 | 0 | n/a | 0.14% | 0.00% | | |
| 37 | Hanley Economic | | Aug 2007 | 188 | 616 | 31% | 0.10% | 0.32% | 12 | 0 | n/a | 0.11% | 0.00% | | |
| 38 | Dudley | | Mar 2008 | 316 | 116 | 272% | 0.14% | 0.05% | 48 | 0 | n/a | 1.16% | 0.00% | | |
| 39 | Mansfield | | Dec 2007 | 311 | 0 | n/a | 0.14% | 0.00% | 25 | 0 | n/a | 0.55% | 0.00% | | |
| 40 | Teachers | | Dec 2007 | 755 | 0 | n/a | 0.37% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 41 | Loughborough | | Oct 2007 | 404 | 25 | 1616% | 0.21% | 0.01% | 189 | 0 | n/a | 1.25% | 0.00% | | |
| 42 | Scottish | | Jan 2008 | 214 | 15 | 1427% | 0.12% | 0.01% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 43 | Chesham | | Nov 2007 | 205 | 0 | n/a | 0.11% | 0.00% | 10 | 0 | n/a | 0.20% | 0.00% | | |
| 44 | Vernon | | Dec 2007 | 155 | 1 | 15500% | 0.09% | 0.00% | 89 | 0 | n/a | 0.50% | 0.00% | | |
| | | | | Total | Total | Peer Gp Ratio | | | | Total | Total | Peer Gp Ratio | | | |
| | | | | 9,606 | 2,660 | 361% | | | | 881 | 1,148 | 77% | | | |
| Average of Peer Group Societies | | | | | | | 0.13% | 0.03% | | | | 0.39% | 0.54% | | |

Source: KPMG LLP (UK)



Peer Group 3

Table 1: Total Assets, Shares, Members and Branches

| Asset ranking | Society | IFRS | Year End | Group | | | Society | | | Society Shares | | Number of Society Shareholders | Average Balance per Shareholder | Funding Limit | Liquid Assets ratio | Society Branches | Total Society Assets per Branch | Society Shareholders per Branch | Society Borrowers per Branch | | | | |
|---------------------------------|--------------------|------|----------|----------------------------|--------------|------|----------------------------|--------------|------|----------------|----------|--------------------------------|---------------------------------|---------------|---------------------|------------------|---------------------------------|---------------------------------|------------------------------|-------|---|-----|--|
| | | | | Total Assets | Asset Growth | Rank | Total Assets | Asset Growth | Rank | £'000 | Growth % | | | | | | | | | £ | % | | |
| 45 | Bath Investment | | Dec 2007 | 190,097 | 15.62% | 2 | 190,023 | 15.64% | 2 | 147,291 | 17.05% | 19,242 | 7,648 | 16.00% | 27.90% | 3 | 63,341 | 6,414 | 352 | | | | |
| 46 | Chorley & District | | Feb 2008 | * 176,487 | 10.22% | 8 | 176,487 | 10.22% | 8 | 139,306 | 10.86% | 20,926 | 6,657 | 15.11% | 32.01% | 3 | 58,829 | 6,975 | 1,149 | | | | |
| 47 | Harpenden | | Dec 2007 | * 158,236 | 8.17% | 9 | 158,236 | 8.17% | 9 | 132,795 | 8.90% | 19,543 | 6,795 | 9.36% | 26.54% | 3 | 52,745 | 6,514 | 310 | | | | |
| 48 | Holmesdale | | Mar 2008 | * 151,564 | 1.96% | 14 | 151,564 | 1.96% | 14 | 135,395 | 1.61% | 6,704 | 20,196 | 1.54% | 32.05% | 1 | 151,564 | 6,704 | 1,217 | | | | |
| 49 | Stafford Railway | | Oct 2007 | * 147,758 | 11.73% | 3 | 147,758 | 11.73% | 3 | 128,154 | 11.06% | 13,726 | 9,335 | 6.72% | 27.57% | 1 | 147,758 | 13,726 | 1,679 | | | | |
| 50 | Beverley | | Dec 2007 | * 144,963 | 10.82% | 5 | 144,963 | 10.82% | 5 | 128,190 | 10.80% | 9,400 | 13,621 | 4.68% | 21.28% | 2 | 72,482 | 4,700 | 512 | | | | |
| 51 | Buckinghamshire | | Dec 2007 | * 139,344 | 1.43% | 15 | 139,344 | 1.43% | 15 | 116,562 | 6.59% | 8,134 | 14,185 | 10.22% | 31.47% | 2 | 69,672 | 4,067 | 339 | | | | |
| 52 | Swansea | | Dec 2007 | * 120,317 | 8.05% | 10 | 120,317 | 8.05% | 10 | 92,584 | 4.06% | 6,793 | 13,629 | 17.78% | 39.56% | 1 | 120,317 | 6,793 | 901 | | | | |
| 53 | Earl Shilton | | Mar 2008 | * 96,126 | 4.32% | 12 | 96,145 | 4.41% | 12 | 86,947 | 5.45% | 12,591 | 6,905 | 0.96% | 25.24% | 2 | 48,073 | 6,296 | 820 | | | | |
| 54 | Shepshed | | Dec 2007 | * 86,443 | 4.53% | 11 | 86,443 | 4.53% | 11 | 68,841 | 6.43% | 11,008 | 6,250 | 14.13% | 34.52% | 3 | 28,814 | 3,669 | 217 | | | | |
| 55 | Penrith | | Dec 2007 | * 78,156 | 2.25% | 13 | 78,156 | 2.25% | 13 | 67,890 | 2.24% | 5,917 | 11,438 | 0.54% | 37.63% | 1 | 78,156 | 5,917 | 852 | | | | |
| 56 | Ecology | | Dec 2007 | * 74,852 | 10.30% | 6 | 74,852 | 10.30% | 6 | 65,522 | 10.92% | 7,977 | 8,214 | 5.66% | 32.64% | 1 | 74,852 | 7,977 | 657 | | | | |
| 57 | Catholic | | Dec 2007 | * 44,111 | 10.27% | 7 | 44,111 | 10.27% | 7 | 35,263 | 10.03% | 3,711 | 8,944 | 12.63% | 27.18% | 1 | 44,111 | 3,711 | 372 | | | | |
| 58 | City of Derry | | Dec 2007 | * 36,064 | 16.34% | 1 | 36,064 | 16.34% | 1 | 33,467 | 17.50% | 1,981 | 16,894 | 0.11% | 31.58% | 1 | 36,064 | 1,981 | 447 | | | | |
| 59 | Century | | Dec 2007 | * 22,449 | 11.33% | 4 | 22,449 | 11.33% | 4 | 19,324 | 14.74% | 3,208 | 5,951 | 1.50% | 27.67% | 1 | 22,449 | 3,208 | 240 | | | | |
| | | | | Total Peer Gp 1,666,967 | | | Total Peer Gp 1,666,912 | | | | | | | | | | | | | | | | |
| Average of Peer Group Societies | | | | 8.49% | | | 8.50% | | | 9.22% | | 10,444 | | 7.80% | | 30.32% | | 71,282 | | 5,910 | | 671 | |

* denotes no Group: therefore Society total assets included as Group

Source: KPMG LLP (UK)



Peer Group 3

Table 2a: Group Profitability Ratios

Table 2b: Group Reserves and Capital

| Asset ranking | Society | IFRS | Year End | Group Profit | Growth | Group/Society Profit | Group Net | Group Cost / | Group ManEx / Mean Assets | | (Group ManEx – Other Income) / Mean Assets | PIBS | Subordinated Debt | General Reserves | IFRS Reserves | Revaluation Reserve | Total Reserves/ Total Assets | Gross Capital | Free Capital |
|---------------------------------|--------------------|------|----------|--------------|--------|----------------------|-------------------------------|--------------|---------------------------|------|--|------|-------------------|------------------|---------------|---------------------|------------------------------|---------------|--------------|
| | | | | for Year | % | for Year/Mean Assets | Interest Margin / Mean Assets | Income Ratio | % | Rank | | | | | | | | | |
| 45 | Bath Investment | | Dec 2007 | 633 | 39.12% | 0.36% | 1.96% | 76.29% | 1.61% | 2 | 1.46% | 0 | 0 | 13,137 | - | 453 | 7.15% | 7.80% | 5.60% |
| 46 | Chorley & District | | Feb 2008 | n/a | n/a | 0.23% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 11,699 | - | 0 | 6.63% | 7.13% | 6.16% |
| 47 | Harpenden | | Dec 2007 | n/a | n/a | 0.71% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 10,445 | - | 365 | 6.83% | 7.38% | 7.04% |
| 48 | Holmesdale | | Mar 2008 | n/a | n/a | 0.39% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 12,649 | - | 587 | 8.73% | 9.63% | 9.01% |
| 49 | Stafford Railway | | Oct 2007 | n/a | n/a | 0.54% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 9,126 | - | 0 | 6.18% | 6.64% | 6.18% |
| 50 | Beverley | | Dec 2007 | n/a | n/a | 0.56% | n/a | n/a | n/a | n/a | n/a | 0 | 1,715 | 6,976 | - | 801 | 5.36% | 7.07% | 5.95% |
| 51 | Buckinghamshire | | Dec 2007 | n/a | n/a | 0.26% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 8,783 | - | 1,020 | 7.04% | 7.63% | 6.43% |
| 52 | Swansea | | Dec 2007 | n/a | n/a | 0.46% | n/a | n/a | n/a | n/a | n/a | 0 | 1,500 | 5,086 | - | 135 | 4.34% | 5.97% | 5.56% |
| 53 | Earl Shilton | | Mar 2008 | 363 | 30.11% | 0.39% | 1.87% | 73.55% | 1.57% | 1 | 1.30% | 0 | 0 | 8,033 | - | 0 | 8.36% | 9.15% | 8.88% |
| 54 | Shepshed | | Dec 2007 | n/a | n/a | 0.35% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 5,848 | - | 0 | 6.77% | 7.30% | 6.51% |
| 55 | Penrith | | Dec 2007 | n/a | n/a | 0.26% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 9,727 | - | 0 | 12.45% | 14.29% | 14.30% |
| 56 | Ecology | | Dec 2007 | n/a | n/a | 0.63% | n/a | n/a | n/a | n/a | n/a | 0 | 742 | 4,083 | - | 0 | 5.45% | 6.95% | 4.98% |
| 57 | Catholic | | Dec 2007 | n/a | n/a | 0.29% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 3,019 | - | 389 | 7.73% | 8.44% | 6.31% |
| 58 | City of Derry | | Dec 2007 | n/a | n/a | 0.71% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 2,319 | - | 0 | 6.43% | 6.92% | 5.72% |
| 59 | Century | | Dec 2007 | n/a | n/a | 0.44% | n/a | n/a | n/a | n/a | n/a | 0 | 0 | 2,786 | - | 0 | 12.41% | 14.37% | 13.67% |
| Average of Peer Group Societies | | | | | 34.61% | 0.44% | 1.91% | 74.92% | 1.59% | | 1.38% | | | | | | 7.46% | 8.44% | 7.49% |

Source: KPMG LLP (UK)



Peer Group 3

Table 3: Society Profitability Ratios

| Asset ranking | Society | IFRS | Year End | Society Profit | Growth | Net Interest | Interest | Interest | Interest | Other Income | Cost/Income | Mortgage Loss | Total ManEx | ManEx / Mean Assets | ManEx - | |
|--|--------------------|------|----------|----------------|---------|---------------|--------------|-------------|------------|--------------|-------------|-------------------|-------------|---------------------|---------|----------------|
| | | | | for Year | % | Margin / Mean | Receivable / | Payable / | Spread for | & Charges / | Ratio | Provision Charge | £'000 | % | Rank | Other Income / |
| | | | | £'000 | % | Assets | Mean FSRP | Mean Shares | Members | Total Income | % | (Credit) for Year | £'000 | % | Rank | Mean Assets |
| | | | | | | % | % | % | % | % | % | / Profit pre- | | | | % |
| | | | | | | | Provision % | | | | | | | | | |
| 45 | Bath Investment | | Dec 2007 | 633 | 39.12% | 1.96% | 6.56% | 5.01% | 1.55% | 2.74% | 76.26% | 1.44% | 2,672 | 1.51% | 12 | 1.49% |
| 46 | Chorley & District | | Feb 2008 | 390 | 14.37% | 1.19% | 5.99% | 4.71% | 1.28% | 12.23% | 73.83% | 15.91% | 1,684 | 1.00% | 5 | 0.83% |
| 47 | Harpenden | | Dec 2007 | 1,082 | 37.31% | 1.91% | 6.21% | 5.08% | 1.13% | 11.22% | 52.78% | -0.52% | 1,726 | 1.13% | 7 | 0.89% |
| 48 | Holmesdale | | Mar 2008 | 588 | 20.99% | 1.35% | 6.08% | 5.32% | 0.76% | 0.54% | 59.92% | 0.00% | 1,220 | 0.81% | 3 | 0.81% |
| 49 | Stafford Railway | | Oct 2007 | 750 | 26.05% | 1.52% | 6.36% | 4.84% | 1.52% | 1.98% | 48.84% | 1.30% | 1,032 | 0.74% | 2 | 0.75% |
| 50 | Beverley | | Dec 2007 | 775 | 13.97% | 1.36% | 6.43% | 5.18% | 1.25% | 12.97% | 47.56% | 0.54% | 1,014 | 0.74% | 1 | 0.55% |
| 51 | Buckinghamshire | | Dec 2007 | 353 | -13.69% | 1.50% | 6.27% | 4.87% | 1.40% | 2.71% | 77.66% | 3.77% | 1,662 | 1.20% | 8 | 1.16% |
| 52 | Swansea | | Dec 2007 | 533 | 18.18% | 1.59% | 6.98% | 5.06% | 1.92% | 7.24% | 62.80% | 0.00% | 1,249 | 1.08% | 6 | 0.95% |
| 53 | Earl Shilton | | Mar 2008 | 339 | 43.04% | 1.85% | 6.16% | 4.72% | 1.44% | 8.57% | 72.24% | 4.17% | 1,309 | 1.39% | 10 | 1.31% |
| 54 | Shepshed | | Dec 2007 | 294 | 19.03% | 2.01% | 6.88% | 4.60% | 2.28% | 8.78% | 75.04% | 14.95% | 1,368 | 1.62% | 13 | 1.48% |
| 55 | Penrith | | Dec 2007 | 199 | -30.66% | 1.48% | 6.16% | 4.88% | 1.28% | 2.97% | 78.81% | 0.00% | 930 | 1.20% | 9 | 1.16% |
| 56 | Ecology | | Dec 2007 | 451 | 49.34% | 2.13% | 6.62% | 4.37% | 2.25% | 4.70% | 63.07% | -4.24% | 1,006 | 1.41% | 11 | 1.30% |
| 57 | Catholic | | Dec 2007 | 122 | -4.69% | 1.98% | 6.40% | 4.60% | 1.80% | 5.66% | 81.43% | 6.13% | 719 | 1.71% | 15 | 1.59% |
| 58 | City of Derry | | Dec 2007 | 239 | 17.73% | 1.74% | 7.12% | 5.28% | 1.84% | 6.55% | 51.28% | 0.00% | 321 | 0.96% | 4 | 0.84% |
| 59 | Century | | Dec 2007 | 94 | 0.00% | 1.95% | 6.67% | 4.34% | 2.33% | 4.38% | 81.80% | -16.46% | 355 | 1.67% | 14 | 1.58% |
| Average of Peer Group Societies | | | | | 16.67% | 1.70% | 6.46% | 4.86% | 1.60% | 6.22% | 66.89% | 1.80% | | 1.21% | | 1.11% |

Source: KPMG LLP (UK)



Peer Group 3

Table 4: Society Staff Ratios, Pension Costs & Group IAS19/FRS17 Data

| Asset ranking | Society | IFRS Year End | Society staff costs | | | | Society pension costs | | | Defined Benefit Scheme? | Group IAS19/FRS17 (Deficit) / Surplus | | Key IAS19/FRS17 assumptions | | | |
|---------------------------------|--------------------|---------------|-----------------------|-------------------------|--|--|--------------------------------------|---|---------------------------|-------------------------|---------------------------------------|----------------------|-----------------------------|-------------------|-----------------|------------------|
| | | | Total Number of Staff | Total Staff Costs £'000 | Staff Costs per Staff Member £'000 / staff | Profit for Year per Staff Member £'000 / staff | Total Assets per Staff £'000 / staff | Total wages and salaries ('TW&S') £'000 | Other pension costs £'000 | | Pension costs / TW&S % | After def. tax £'000 | % of Gen Reserves | Salary increase % | Discount rate % | Inflation rate % |
| 45 | Bath Investment | Dec 2007 | 38 | 1,361 | 35.82 | 16.66 | 5,001 | 1,165 | 68 | 5.84% | No | n/a | n/a | n/a | n/a | n/a |
| 46 | Chorley & District | Feb 2008 | 33 | 892 | 27.45 | 12.00 | 5,430 | 760 | 58 | 7.63% | No | n/a | n/a | n/a | n/a | n/a |
| 47 | Harpenden | Dec 2007 | 23 | 846 | 37.60 | 48.09 | 7,033 | 652 | 126 | 19.33% | No | n/a | n/a | n/a | n/a | n/a |
| 48 | Holmesdale | Mar 2008 | 17 | 747 | 45.27 | 35.64 | 9,186 | 603 | 83 | 13.76% | Y - Closed | 273 | -2.16% | n/a | 3.60 | 6.80 |
| 49 | Stafford Railway | Oct 2007 | 13 | 497 | 38.23 | 57.69 | 11,366 | 444 | 30 | 6.76% | No | n/a | n/a | n/a | n/a | n/a |
| 50 | Beverley | Dec 2007 | 16 | 479 | 29.94 | 48.44 | 9,060 | 400 | 39 | 9.75% | No | n/a | n/a | n/a | n/a | n/a |
| 51 | Buckinghamshire | Dec 2007 | 23 | 904 | 39.30 | 15.35 | 6,058 | 704 | 129 | 18.32% | Y - Closed | -58 | 0.66% | 4.90 | 5.80 | 3.40 |
| 52 | Swansea | Dec 2007 | 17 | 566 | 34.30 | 32.30 | 7,292 | 441 | 73 | 16.55% | No | n/a | n/a | n/a | n/a | n/a |
| 53 | Earl Shilton | Mar 2008 | 20 | 667 | 33.35 | 16.95 | 4,807 | 485 | 136 | 28.04% | No | n/a | n/a | n/a | n/a | n/a |
| 54 | Shepshed | Dec 2007 | 20 | 713 | 36.56 | 15.08 | 4,433 | 590 | 63 | 10.68% | No | n/a | n/a | n/a | n/a | n/a |
| 55 | Penrith | Dec 2007 | 14 | 513 | 38.00 | 14.74 | 5,789 | 348 | 129 | 37.07% | No | n/a | n/a | n/a | n/a | n/a |
| 56 | Ecology | Dec 2007 | 16 | 481 | 31.03 | 29.10 | 4,829 | 407 | 31 | 7.62% | No | n/a | n/a | n/a | n/a | n/a |
| 57 | Catholic | Dec 2007 | 7 | 343 | 49.00 | 17.43 | 6,302 | 296 | 19 | 6.42% | No | n/a | n/a | n/a | n/a | n/a |
| 58 | City of Derry | Dec 2007 | 5 | 160 | 32.00 | 47.80 | 7,213 | 134 | 14 | 10.45% | No | n/a | n/a | n/a | n/a | n/a |
| 59 | Century | Dec 2007 | 6 | 211 | 35.17 | 15.67 | 3,742 | 180 | 10 | 5.56% | No | n/a | n/a | n/a | n/a | n/a |
| Average of Peer Group Societies | | | | | 36.20 | 28.19 | 6,503 | | | 13.58% | | | -0.75% | 4.90 | 4.70 | 5.10 |

Source: KPMG LLP (UK)



Peer Group 3

Table 5: Group Loans and Advances (1): Arrears and Provisions

| Asset ranking | Society | IFRS Year End | Lending Limit % | Group/Society Gross Mortgage Lending | | Group FSRP Loans £'000 | Increase % | FSOL Loans £'000 | Increase % | Other Loans £'000 | Increase % | Group / Society Arrears 12 months and over Number | Total Year End Mortgage Provisions £'000 | FSRP Provisions | | | | FSOL Provisions | |
|---------------------------------|--------------------|---------------|-----------------|--------------------------------------|-----------------------|------------------------|------------|------------------|------------|-------------------|------------|---|--|------------------------|--------------------------|--------------------|---------------------------|--------------------|---------------------------|
| | | | | £'000 | % to total P/Yr loans | | | | | | | | | Charge/ (Credit) £'000 | Year End Provision £'000 | Charge/ (Credit) % | Provision to FSRP Loans % | Charge/ (Credit) % | Provision to FSOL Loans % |
| 45 | Bath Investment | Dec 2007 | 14.70% | 45,700 | 36.64% | 116,865 | 4.50% | 19,900 | 54.50% | 0 | n/a | 0 | 181 | 12 | 181 | 0.01% | 0.15% | 0.00% | 0.00% |
| 46 | Chorley & District | Feb 2008 | 1.01% | 26,897 | 22.81% | n/a | n/a | n/a | n/a | n/a | n/a | 5 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 47 | Harpenden | Dec 2007 | 7.48% | 42,028 | 39.10% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 48 | Holmesdale | Mar 2008 | 6.22% | 25,906 | 24.54% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 49 | Stafford Railway | Oct 2007 | 7.43% | 30,086 | 28.89% | n/a | n/a | n/a | n/a | n/a | n/a | 2 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 50 | Beverley | Dec 2007 | 12.06% | 38,894 | 39.23% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 51 | Buckinghamshire | Dec 2007 | 6.77% | 22,370 | 22.90% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 52 | Swansea | Dec 2007 | 11.41% | 28,200 | 40.71% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 53 | Earl Shilton | Mar 2008 | 8.51% | 23,047 | 35.86% | 67,432 | 14.79% | 6,051 | 9.38% | 0 | n/a | 2 | 104 | -17 | 29 | -0.03% | 0.04% | 0.62% | 1.22% |
| 54 | Shepshed | Dec 2007 | 7.64% | 13,730 | 23.49% | n/a | n/a | n/a | n/a | n/a | n/a | 3 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 55 | Penrith | Dec 2007 | 5.60% | 15,162 | 30.93% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 56 | Ecology | Dec 2007 | 15.71% | 15,000 | 34.70% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 57 | Catholic | Dec 2007 | 4.92% | 10,800 | 39.54% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 58 | City of Derry | Dec 2007 | 2.02% | 6,249 | 25.18% | n/a | n/a | n/a | n/a | n/a | n/a | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 59 | Century | Dec 2007 | 2.86% | 5,652 | 37.24% | n/a | n/a | n/a | n/a | n/a | n/a | 0 | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Average of Peer Group Societies | | | 7.62% | 32.12% | | 9.65% | | 31.94% | | n/a | | | | | | -0.01% | 0.10% | 0.31% | 0.61% |

Source: KPMG LLP (UK)



Peer Group 3

Table 6: Society Loans and Advances (1): Provisions

| Asset ranking | Society | IFRS Year End | Lending Limit % | Number of Society Borrowers | Society FSRP | | FSOL | | Other Loans | | Total Year End Mortgage Provisions £'000 | Charge/ (Credit) £'000 | FSRP Provisions | | | FSOL Provisions | |
|---------------------------------|--------------------|---------------|-----------------|-----------------------------|--------------|------------|-------------|------------|-------------|------------|--|------------------------|--------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
| | | | | | Loans £'000 | Increase % | Loans £'000 | Increase % | Loans £'000 | Increase % | | | Year End Provision £'000 | Charge/ (Credit) to FSRP Loans % | Provision to FSRP Loans % | Charge/ (Credit) to FSOL Loans % | Provision to FSOL Loans % |
| 45 | Bath Investment | Dec 2007 | 14.70% | 1,057 | 116,865 | 4.50% | 19,900 | 54.50% | 0 | n/a | 181 | 12 | 181 | 0.01% | 0.15% | 0.00% | 0.00% |
| 46 | Chorley & District | Feb 2008 | 1.01% | 3,447 | 120,840 | 3.74% | 1,002 | -30.08% | 0 | n/a | 295 | 95 | 295 | 0.08% | 0.24% | 0.00% | 0.00% |
| 47 | Harpenden | Dec 2007 | 7.48% | 929 | 109,964 | 9.79% | 8,715 | 18.91% | 0 | n/a | 0 | -8 | 0 | -0.01% | 0.00% | 0.00% | 0.00% |
| 48 | Holmesdale | Mar 2008 | 6.22% | 1,217 | 99,934 | -0.46% | 6,483 | 25.69% | 0 | n/a | 103 | 0 | 73 | 0.00% | 0.07% | 0.00% | 0.46% |
| 49 | Stafford Railway | Oct 2007 | 7.43% | 1,679 | 101,014 | 5.02% | 8,047 | 1.12% | 0 | n/a | 137 | 14 | 127 | 0.01% | 0.13% | 0.00% | 0.12% |
| 50 | Beverley | Dec 2007 | 12.06% | 1,023 | 100,959 | 12.35% | 13,676 | 47.13% | 0 | n/a | 68 | 6 | 68 | 0.01% | 0.07% | 0.00% | 0.00% |
| 51 | Buckinghamshire | Dec 2007 | 6.77% | 678 | 90,654 | -0.56% | 6,599 | 1.23% | 0 | n/a | 102 | 18 | 102 | 0.02% | 0.11% | 0.00% | 0.00% |
| 52 | Swansea | Dec 2007 | 11.41% | 901 | 66,714 | 8.36% | 8,484 | 10.15% | 0 | n/a | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| 53 | Earl Shilton | Mar 2008 | 8.51% | 1,640 | 67,432 | 14.79% | 6,051 | 9.38% | 0 | n/a | 104 | -17 | 29 | -0.03% | 0.04% | 0.62% | 1.22% |
| 54 | Shepshed | Dec 2007 | 7.64% | 650 | 53,613 | -2.37% | 4,386 | 23.93% | 0 | n/a | 146 | 68 | 146 | 0.13% | 0.27% | 0.00% | 0.00% |
| 55 | Penrith | Dec 2007 | 5.60% | 852 | 49,509 | 7.94% | 2,689 | -14.72% | 0 | n/a | 101 | 0 | 101 | 0.00% | 0.20% | 0.00% | 0.00% |
| 56 | Ecology | Dec 2007 | 15.71% | 657 | 42,837 | 17.66% | 7,796 | 14.38% | 0 | n/a | 79 | -59 | 41 | -0.14% | 0.10% | 0.43% | 0.49% |
| 57 | Catholic | Dec 2007 | 4.92% | 372 | 30,670 | 16.67% | 1,501 | 46.01% | 0 | n/a | 45 | 10 | 45 | 0.03% | 0.15% | 0.00% | 0.00% |
| 58 | City of Derry | Dec 2007 | 2.02% | 447 | 24,562 | 1.04% | 509 | 0.39% | 0 | n/a | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| 59 | Century | Dec 2007 | 2.86% | 240 | 16,443 | 10.79% | 472 | 40.48% | 0 | n/a | 22 | -13 | 22 | -0.08% | 0.13% | 0.00% | 0.00% |
| Average of Peer Group Societies | | | 7.62% | | | 7.29% | | 16.57% | | n/a | | | | 0.00% | 0.11% | 0.07% | 0.15% |

Source: KPMG LLP (UK)



Peer Group 3

Table 7: Group Loans and Advances (2): Provisions

| Asset ranking | Society | IFRS | Year End | Loans Fully Secured on Residential Property FSRP | | | | | Loans Fully Secured on Land FSOL | | | | | | |
|---------------------------------|--------------------|------|----------|--|-----------------------------|---------------------------------------|---------------------------------------|--|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--|-------|-------|
| | | | | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSRP % | Specific Provision/ Total FSRP % | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSOL % | Specific Provision/ Total FSOL % | | |
| 45 | Bath Investment | | Dec 2007 | 181 | 0 | n/a | 0.15% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | | |
| 46 | Chorley & District | | Feb 2008 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 47 | Harpenden | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 48 | Holmesdale | | Mar 2008 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 49 | Stafford Railway | | Oct 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 50 | Beverley | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 51 | Buckinghamshire | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 52 | Swansea | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 53 | Earl Shilton | | Mar 2008 | 29 | 0 | n/a | 0.04% | 0.00% | 75 | 0 | n/a | 1.22% | 0.00% | | |
| 54 | Shepshed | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 55 | Penrith | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 56 | Ecology | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 57 | Catholic | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 58 | City of Derry | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| 59 | Century | | Dec 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | | |
| | | | | Total | Total | Peer Gp Ratio | | | | Total | Total | Peer Gp Ratio | | | |
| | | | | 210 | 0 | n/a | | | | 75 | 0 | n/a | | | |
| Average of Peer Group Societies | | | | | | | | | 0.10% | 0.00% | | | | 0.61% | 0.00% |

Source: KPMG LLP (UK)



Peer Group 3

Table 8: Society Loans and Advances (2): Provisions

| Asset ranking | Society | IFRS | Year End | Loans Fully Secured on Residential Property FSRP | | | | | Loans Fully Secured on Land FSOL | | | | | |
|---------------------------------|--------------------|------|----------|--|-----------------------------|---------------------------------------|---------------------------------------|--|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--|--|
| | | | | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSRP % | Specific Provision/ Total FSRP % | General Provision £'000 | Specific Provision £'000 | General to Specific Provision % | General Provision/ Total FSOL % | Specific Provision/ Total FSOL % | |
| 45 | Bath Investment | | Dec 2007 | 181 | 0 | n/a | 0.15% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 46 | Chorley & District | | Feb 2008 | 20 | 275 | 7% | 0.02% | 0.23% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 47 | Harpenden | | Dec 2007 | 0 | 0 | n/a | 0.00% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 48 | Holmesdale | | Mar 2008 | 55 | 18 | 306% | 0.05% | 0.02% | 30 | 0 | n/a | 0.46% | 0.00% | |
| 49 | Stafford Railway | | Oct 2007 | 119 | 8 | 1488% | 0.12% | 0.01% | 10 | 0 | n/a | 0.12% | 0.00% | |
| 50 | Beverley | | Dec 2007 | 58 | 10 | 580% | 0.06% | 0.01% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 51 | Buckinghamshire | | Dec 2007 | 68 | 34 | 200% | 0.07% | 0.04% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 52 | Swansea | | Dec 2007 | 0 | 0 | n/a | 0.00% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 53 | Earl Shilton | | Mar 2008 | 29 | 0 | n/a | 0.04% | 0.00% | 75 | 0 | n/a | 1.22% | 0.00% | |
| 54 | Shepshed | | Dec 2007 | 94 | 52 | 181% | 0.17% | 0.10% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 55 | Penrith | | Dec 2007 | 101 | 0 | n/a | 0.20% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 56 | Ecology | | Dec 2007 | 21 | 20 | 105% | 0.05% | 0.05% | 4 | 34 | 12% | 0.05% | 0.43% | |
| 57 | Catholic | | Dec 2007 | 17 | 28 | 61% | 0.06% | 0.09% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 58 | City of Derry | | Dec 2007 | 0 | 0 | n/a | 0.00% | 0.00% | 0 | 0 | n/a | 0.00% | 0.00% | |
| 59 | Century | | Dec 2007 | 0 | 22 | n/a | 0.00% | 0.13% | 0 | 0 | n/a | 0.00% | 0.00% | |
| | | | | Total | Total | Peer Gp Ratio | | | | Total | Total | Peer Gp Ratio | | |
| | | | | 763 | 467 | 163% | | | | 119 | 34 | 350% | | |
| Average of Peer Group Societies | | | | | | | 0.07% | 0.04% | | | | 0.12% | 0.03% | |

Source: KPMG LLP (UK)

Explanations of the tables, statistics and ratios

The accuracy and interpretation of figures contained within Building Societies Database is dependent upon the level of disclosure given by individual societies in their financial statements. This section explains the bases for the statistics and ratios in the various Database Tables.

Group or Society data

A mixture of group and society data is used in Database. The Table headings and the column headers all state clearly whether data is group or society. The statutory ratios extracted directly from the Annual Business Statement will be group where a society has subsidiary undertakings: otherwise these will be society only.

Users should note, in particular, that the Society Staff Ratios Table (Table 4) includes Group IAS19/FRS17, Retirement Benefits, data, as clearly indicated at the top of the relevant columns. This is because such IAS19/FRS17 data is disclosed on a group basis only, where societies prepare group accounts.

Calculation of ratios

Database lists a number of statutory ratios as disclosed in the Annual Business Statement of each society: these comprise the funding and lending limits, liquid assets, profit

as a percentage of mean assets and gross and free capital. Other ratios and percentages which are calculated for the purposes of Database and which may not be self explanatory are explained in the relevant sections below.

Averages

For each page of statistics an average for each ratio is provided which is calculated from the societies on that particular page. These averages are all simple averages.

However, on Tables 7 and 8, Group and Society Loans and Advances 2: Provisions, we have provided a Peer Group ratio for the total general provisions as a percentage of total specific provisions. This is therefore not a simple average and thus is shown on a separate line to the other averages.

Table 1: Total Assets, Shares, Members and Branches

Asset rankings and total assets

For all three Peer Groups the asset ranking shows the position in terms of total group assets (or total society assets if appropriate) of each society within the Database 2008 total of 59 building societies in the UK.

For the key disclosure of group total assets, Database asterisks those societies that are not group societies and includes the society total assets in the group total assets column. This is for completeness of this particularly important performance measurement. However, Database retains the use of "n/a" for all other group tables where a society does not have group data.

Society shares

This is the total shares as disclosed in the society balance sheet; thus including both Shares held by individuals and Other shares (although the latter category is usually not material) and any accrued interest. For IFRS societies, in order to retain comparability with UK GAAP societies, Database excludes any fair value amounts disclosed within the Shares note. The per cent disclosure is the increase from the equivalent prior year society total shares.

Average balance per shareholder

This comprises the total society shareholders (from the Building Societies Association Yearbook 2007/08), divided into Shares held by individuals (including accrued interest) as disclosed in the relevant note to the accounts. Again, for IFRS societies, Shares exclude any disclosed fair value adjustments.

Funding Limit

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

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.

Data source for society branches and shareholding and borrowing members

These are taken from the latest available consistent published source, being the Building Societies Association Yearbook - 2007/2008. One society has not provided the total shareholding or borrowing members and this is indicated as "n/a" in the Tables.

Explanations of the tables, statistics and ratios (continued)

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 ratios calculated using number of branches. Branches of subsidiary companies, for example estate agencies, are ignored for these purposes.

Table 2a: Group Profitability Ratios – Table 2b: Group Reserves and Capital

Group Profit for the year

Profit for the year, as used in this Table, is always the bottom line profit for the year: ie after all charges, exceptional items, taxation and extraordinary items.

Group/Society Profit for year/mean assets

This is the ratio as disclosed by societies in the Annual Business Statement. Thus, 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 Database uses the equivalent caption of net interest income.

Group Cost/income ratio

This ratio expresses the 'ordinary' administrative expenses plus depreciation and amortisation as a percentage of total income. "Ordinary" 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 Database uses the equivalent captions including, where separately disclosed, amortisation of intangible assets.

Total income comprises net interest receivable plus all the component parts of other income and charges, including income from associated bodies and income from investments, where stated. Total income for this ratio will normally, therefore, be the sub-total before administrative expenses. Total income therefore includes pension finance charges and, for IFRS societies, any gains/losses relating to financial instruments etc disclosed after net interest income.

In order to assist comparability, where a society discloses other operating charges these are deducted from total income, for the purposes of this cost/income ratio only. For the avoidance of doubt, other operating charges are not included in the "cost" side of the cost/income ratio.

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.

Management expenses comprise the 'ordinary' administrative expenses caption plus depreciation as disclosed on the face of the group Income and Expenditure Account. For IFRS societies, Database uses the equivalent captions including, where disclosed, amortisation of

intangible assets. For the avoidance of doubt, management expenses exclude other operating charges where disclosed.

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

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

This is management expenses (as defined above), 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 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/losses relating to financial instruments etc disclosed after net interest income, are also included as other income.

Group Total reserves to total assets

These are all group where group accounts are prepared and are calculated including revaluation reserves and IFRS reserves where relevant. Where a society does not have subsidiary companies this ratio will be a society only ratio.

Explanations of the tables, statistics and ratios (continued)

Table 3: Society Profitability Ratios

As the Table heading states, these are all society only ratios.

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 Database uses the equivalent caption net interest income.

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. With effect from Database 2008, Interest receivable on FSRP Loans is calculated net of Net income or expense on financial instruments, as disclosed in the same Note. This means that the interest spread data is not fully comparable with that disclosed in previous years' Databases.

Mean FSRP is the mean of the current year and prior year FSRP but after adding back FSRP provisions and Mortgage guarantee insurance (MIG) deductions, where such deductions are made from Loans and Advances to Customers in the Notes for UK GAAP societies. For the MIG add-back Database assumes that the MIG relates entirely to FSRP loans. For IFRS societies, any fair value amounts disclosed in the Loans/ FSRP Note are excluded, in order to maintain comparability with UK GAAP societies.

Society Interest payable as a percentage of mean shares

Interest payable comprises only the specific caption "On shares held by individuals" within interest payable and similar charges. With effect from Database 2008, Interest

payable on Shares held by Individuals is calculated net of Net income or expense on financial instruments, as disclosed in the same Note. This means that the interest spread data is not fully comparable with that disclosed in previous years' Databases.

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. As stated above, for Database 2008, due to the change in the interest data used, this interest spread data is not fully comparable with that disclosed in previous years' Databases.

Society Other income & charges/Total income

This ratio expresses other income & charges as a percentage of total income. Other income & 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 & charges, as explained above. Total income will normally be the sub-total before administrative expenses.

Society Cost/income ratio

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

Society Provisions charge for year/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 profit before such provisions. For IFRS societies Database uses the equivalent impairment loss captions. Some societies have included provisions against other matters in this 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/impairment loss provision credit to the Income & Expenditure Account, caused either by excess recoveries or by the society simply reducing their total provisions.

Society Management expenses

This comprises the 'ordinary' administrative expenses caption plus depreciation as disclosed on the face of each society's Income and Expenditure Account. For IFRS societies, Database uses the equivalent captions including, where disclosed, amortisation of intangible assets. For the avoidance of 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. Exceptional expenses disclosed within the administrative expenses note are, however, included in the ratio calculation.

Explanations of the tables, statistics and ratios (continued)

Society Management expenses as a percentage of mean assets

This is management expenses (as defined above) 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 (as defined above), less other income and charges (see definition in this paragraph 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 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/losses relating to financial instruments etc disclosed after net interest income, are also included as other income.

Table 4: Society Staff Ratios, Pension Costs and Group IAS19/FRS17 Data

As the heading suggests, these are all society only ratios, except for the IAS19/FRS17 (Retirement Benefits) disclosures, which 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, thus probably resulting 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 (note: not as a percentage of Total staff costs).

Group IAS19/FRS17 disclosures

The information is obtained from a society's accounting policy and pensions note. Where it is not clear that a society has closed its defined benefit scheme to new entrants, we record it as still open.

Each UK GAAP defined pension scheme deficit (or surplus) is assumed to be disclosed after deferred tax at 28 percent. To ensure comparability with UK GAAP societies the defined pension scheme deficits (or surpluses) of IFRS societies are input after a deduction of 28 per cent for deferred tax. The resultant net defined benefit pension scheme deficit/ surplus for all societies is then expressed as a percentage of group general reserves.

Table 5: Group Loans and Advances (1): Arrears and Provisions

Note that FSRP = Loans fully secured on residential property and FSOL = Loans fully secured on land.

Lending Limit

Ratio as disclosed in the society's Annual Business Statement: therefore this will be on a group basis where a society prepares group accounts.

Group/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. 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 also expressed as a percentage of prior year total group/society mortgage assets in the balance sheet – ie FSRP + FSOL + other loans. For IFRS societies, any fair value adjustments disclosed in the loans 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, Database ignores any fair value amounts disclosed within the loans Notes. The per cent 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 a group disclosure. However where a society discloses the society only number then that is the number used in Database.

Explanations of the tables, statistics and ratios (continued)

Total year end mortgage loss provisions

This comprises the total provisions against loans and therefore includes provisions relating to FSRP, FSOL and Other loans. For Database, such provisions do not include any “other provisions” that may be disclosed in the provisions note to the accounts. The total mortgage loss provisions include both general and specific mortgage loss provisions. For IFRS societies, collective provisions have been input as general provisions and individual provisions as specific provisions.

Charges and provisions/FSRP and FSOL

In all cases the FSRP and FSOL asset totals used are the gross asset totals before the deduction of year end mortgage loss provisions. In this Table 5 the charges or credits to income are as disclosed in the mortgage loss / 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

Table 6: Society Loans and Advances (1): Provisions

Note that FSRP = Loans fully secured on residential property and FSOL = Loans fully secured on land.

Lending Limit

As disclosed in the society’s Annual Business Statement: therefore this will be on a group basis where a society prepares group accounts.

FSRP Loans, FSOL Loans and Other Loans

These are the total loan categories as disclosed in the society balance sheet. For IFRS societies, Database ignores any fair

value amounts that may be disclosed within the loans Notes. The per cent disclosure is the increase from the prior year equivalent society total FSRP, FSOL or other loans.

Total year end mortgage loss provisions

This comprises the total provisions against loans and therefore includes provisions relating to FSRP, FSOL and other loans. For Database, such provisions do not include any “other provisions” that may be disclosed in the provisions note to the accounts. The total mortgage loss provision includes both general and specific mortgage loss provisions. For IFRS societies, collective provisions have been input as general provisions and individual provisions as specific provisions.

Charges and provisions/FSRP and FSOL

In all cases the FSRP and FSOL asset totals used are the gross assets before the deduction of year end provisions. In this Table 6 the charges or credits to income are as disclosed in the mortgage loss / 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.

Table 7: Group Loans and Advances (2): Provisions

This Table and Table 8 are intended to assist societies in comparing their group and society general and specific mortgage loss provisions to industry standards. A clear feature of these Tables is that there is no consistent correlation between such general and specific mortgage loss provisions.

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: this is a different basis from the simple averages as used for the general and specific FSRP and FSOL provisions to total FSRP/FSOL loans.

Table 8: Society Loans and Advances (2): Provisions

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/FSOL loans.

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