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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.

Richard Gabbertas

PARTNER, KPMG FINANCIAL SERVICES

August 2008

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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:

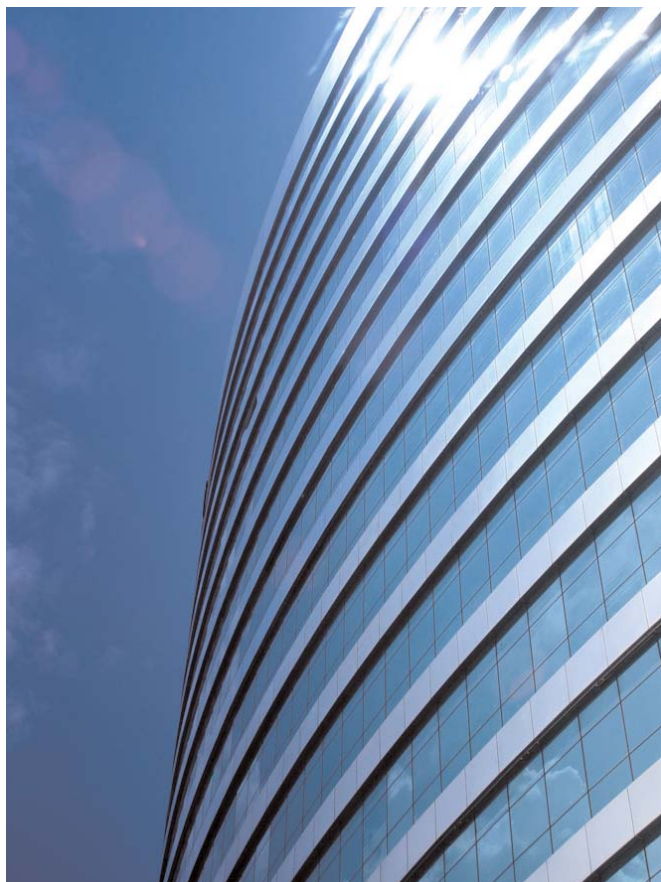
- Net interest income is input, unadjusted, as net interest receivable;
- All fair value/gains/losses relating to derivatives etc and disclosed after net interest income, are input as part of other income;
- Collective impairment provisions are input as general mortgage loss provisions;
- Individual 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

SENIOR MANAGER, KPMG FINANCIAL SERVICES

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	%									£	%	Number	£'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
				for Year	%	for Year/Mean Assets	Interest Margin / Mean Assets	Income Ratio	%	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	I	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	I	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	I	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	I	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	I	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	I	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	I	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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