



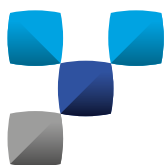
OUR 2017 ACHIEVEMENTS

Key highlights from our Annual
YBS Group Performance

“
**Mike Regnier, Yorkshire Building
Society's Chief Executive, said:**

**I'm pleased to be reporting a strong financial
performance for 2017, despite a very
competitive market and ongoing wider
economic uncertainty.**”

You can find more
about the Group's
performance in our
[Press Release](#) the
highlights of which
are summarised
overleaf:



**YBS
SHARE
PLANS**

Group performance at a glance

In a challenging year the Group's financial performance has been strong.

SAVINGS



RETAIL SAVINGS
BALANCES

£28.9bn

Balances grew by 0.9%



SAVINGS
OUTFLOW

£0.2bn

Compared to an inflow of
£0.9bn in 2016



NEW SAVINGS
ACCOUNTS OPENED

193,000

Increased from 114,000
in 2016

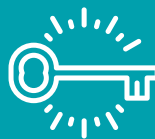


AVERAGE
SAVINGS RATES

0.28%¹

Above the rest of
market average

MORTGAGES



GROSS
LENDING

£8.1bn

Increased by 12.5%



NET
LENDING

£1.0bn

Increased by 46.5%



OVERALL MORTGAGE
BALANCES

£35.1bn

Balances grew by 2.8%



SHARE OF GROSS
MORTGAGE MARKET

3.1%²

Compared to 2.9% in 2016

FINANCIAL



STATUTORY PROFIT
BEFORE TAX

£166m

(2016: £152m)



CORE OPERATING
PROFIT

£160m

(2016: £128m)



COMMON EQUITY
TIER 1 (CET1)

15.8%

(2016: 14.9%)



LIQUIDITY

15.7%

(2016: 12.8%)



COST:INCOME
RATIO

63%

(2016: 67%)

Sources:

¹ YBS Group average savings rate compared to rest of market average rates based on savings stock from CACI's Current Account and Savings Database (CSDB), covering 86% of retail savings market (based on stock value). Data period January-October 2017.

² UK Finance (December 2017).

YBS Share Plans 2017- at a glance

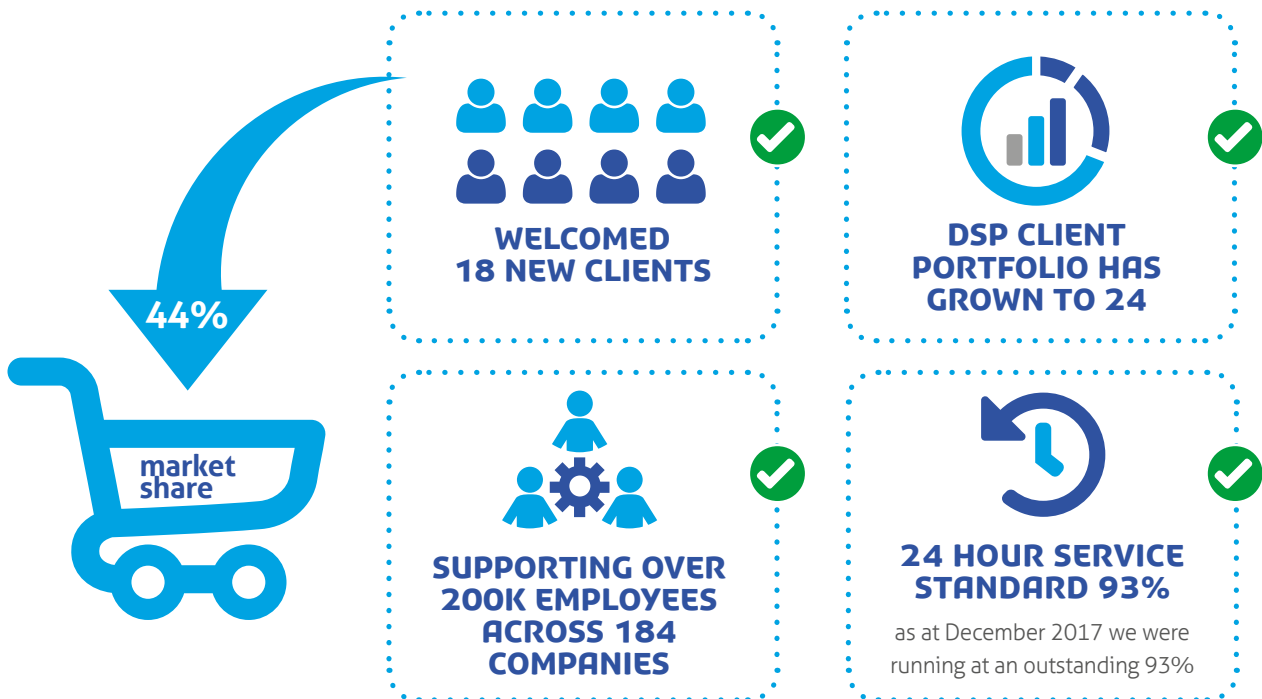
It has been another busy year with many exciting developments.

We continued to work with SecondSight and WEALTH at Work to provide financial education support in the workplace, with a growing number of companies utilising this service, integrating them into their share plan communications. This is helping employees make the right choices around their workplace benefits and safeguarding their future wellbeing.

We outperformed our expectations following the launch of our Discretionary Share Plan service with Investec Bank plc, which now extends to a portfolio of 24 clients for this product line alone.

2018 promises to be an equally exciting year as we continue to provide enhancements to our digital solutions and product range so we can continually strive to deliver a market-leading client and customer experience, whilst maintaining our ambitious growth plans.

We are also working with Salary Finance to provide an additional way for employees of organisations in all sectors to save directly from their pay into an online Yorkshire Building Society savings account, which is already generating interest.



Data source: Based on ProShare Annual Survey Results published June 2017 and YBS Share Plans Data.

Delivering a market leading customer experience is our passion here at YBS Share Plans.

Every year we ask our clients what they think of our service, how effective we are and how we could improve. The results are shown as a Net Promoter Score* "NPS" and for 2017 our clients provided an excellent score of +83*



We also ask Share Plan participants who have a share plan account with us, how likely they are to recommend YBS Share Plans, and we are delighted to share the NPS for share plan participants is +47**.



We ask on a scale of 1-10 how likely clients and participants are to recommend our services to other companies.

Clients: Derived from YBS Share Plans client survey responses 12 months rolling January to December 2017.

Participant NPS - (+47) YBS Share Plans Customer Experience Surveys Source: KPMG Nunwood Relational Study derived from 2,181 surveys completed by Share Plan Participants January to December 2017. Net Promoter, Net Promoter Score, and NPS are trademarks of Satematrix Systems, Inc., Bain & Company, Inc., and Fred Feichheld.

Empowering and engaging employees

We have seen an increasing number of clients utilising our digital solutions with many schemes now operating paperless, making joining a scheme and buying/selling shares at maturity as easy and simple as possible. This, along with integrated Financial Education material, has helped and engaged employees to make the right informed choices and in many cases has increased participation in the plans.

We are delighted that our clients' success has been recognised at several industry awards.

• **Morgan Sindall Group plc** was joint winner in the award for the Most Effective Communication of an Employee Share Plan (5,001 - 50,000 employees) and

• **Janus Henderson Investors** took the award for the Best Overall Performance in Fostering Employee Share Ownership (up to 5,000 employees) at the 2017 ProShare Awards.

A further 5 clients were shortlisted; Ted Baker plc, Halfords Group plc, Breedon Group plc, National Grid plc and Global Payments Inc.

3 clients were shortlisted for the 2017 Irish ProShare Association (IPSA) Awards with 2 winners; Global Payments Inc. and Provident Financial Group, winning the categories of Best International Share Plan and Most Effective Communication of an Employee Share Plan respectively.

Ashley Price
Head of YBS Share Plans



What our Share Plans participants say...

"Great customer service and share plan website is very informative, allowing you to keep up to date with the shareplan progress."

Share Plan participant

"Every time I have needed to speak to someone, I have had a very good interaction with them and they seem to care. It doesn't seem like we are just another person on the phone."

Share Plan participant

I just think they are super efficient. Everything that comes is so simple

Share Plan participant

What our Share Plan clients say...

"YBS Share Plans has developed an innovative and effective solution to our discretionary share plan administration. In just a short time, the team have demonstrated the ability to understand our business and culture whilst providing a consistent and high quality service. The team's professionalism, flexibility and willingness is what sets them apart from its peers and we look forward to a long and continuing relationship."

The Go-Ahead Group plc

"Over the years YBS has provided a reliable accurate service in a very professional manner."

National Grid plc

"A knowledgeable and friendly team who provide an unbeatable offer in comparison to the savings market. A pleasure to do business with."

Wm Morrison Supermarkets plc

The verbatim comments and quotes above are views expressed by our corporate clients and their employees and not those of YBS Share Plans or Yorkshire Building Society.

Growth and Acquisition team



Beverley Johnson

Business Development Manager

Mobile: 07789 617 790

Email: bajohnson@ybs.co.uk



Ainsley Melaugh

Business Development Manager

Mobile: 07768 542 626

Email: azmelaugh@ybs.co.uk



Michelle Merola

Discretionary Share Plans Development Manager

Mobile: 07734 459 980

Email: mmerola@ybs.co.uk

Administration services will be provided by YBS Share Plans. Dealing services will be provided by Investec. Investec and YBS Share Plans shall be responsible for the provision of their respective services only. The obligations of Investec and YBS Share Plans in relation to their services are several and not joint and neither Investec nor YBS Share Plans shall have any liability to any person in respect of the acts or omissions of each other in relation to the provision of their respective services.

YBS Share Plans is part of Yorkshire Building Society.

YBS Share Plans, Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ
Tel: 0345 1 200 300 • Fax: 01274 357 950 • ybsshareplans.co.uk

References to 'YBS Group' or 'Yorkshire Group' refer to Yorkshire Building Society, the trading names under which it operates (Chelsea Building Society, the Chelsea, Norwich & Peterborough Building Society, N&P and Egg) and its subsidiary companies.

Yorkshire Building Society provides Share plan trustee and administration services, including deposit taking, in the UK and subject to English law and regulation. We are not responsible for Share plan deposits held by local savings carriers outside the UK.

Yorkshire Building Society is a member of the Building Societies Association and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Yorkshire Building Society is entered in the Financial Services Register and its registration number is 106085. Head Office: Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ.

All communications with us may be monitored/recorded to improve the quality of our service for your protection and security. Calls to 03 numbers are charged at the same standard network rate as 01 or 02 landline numbers, even when calling from a mobile.

