

Country by Country Reporting 2013

Introduction

The Capital Requirements (Country-by-Country Reporting) Regulations 2013 came into effect on 1 January 2014 and place certain reporting obligations on financial institutions that are within the scope of the EU's Capital Requirements Directive (CRD IV). The purpose of the regulations is to provide clarity on the source of the Group's income and the location of its operations.

Nature of the Group's activities

The Skipton Building Society Group holds an investment in a number of subsidiary undertakings. The building society and the majority of its subsidiary undertakings are incorporated in the UK, with the exception of the entities listed below. For a full list of the principal trading subsidiaries in the Group and the nature of their activities, please refer to page 93 of the 2013 Annual Report and Accounts, available at www.skipton.co.uk/about-us/financial-results.

Name of subsidiary undertaking	Principal business activity	Country of incorporation	% ownership interest 31.12.13
Jade Software Corporation Limited	Provider of software development services	See below	56.8
Northwest Investments NZ Limited	Provider of software development services	New Zealand	100.0
Skipton International Limited	Offshore deposit taker and lender	Guernsey	100.0

Jade Software Corporation Limited holds a 100% ownership in the following subsidiary undertakings, all of which carry out the principal business activity of the Jade group of businesses.

Name of subsidiary undertaking	Country of incorporation
Jade Software Corporation (NZ) Limited	New Zealand
Jade Software Corporation Pty Limited	Australia
Jade Software Corporation UK Limited	UK
Jade Software Corporation USA	USA

During the first half of 2013, the Group also held a controlling interest in Wynyard Group Limited, which is incorporated in New Zealand and has subsidiaries in Australia, Canada and the UK. The results of Wynyard were fully consolidated into the Group's financial statements for this period and this is reflected accordingly in the analysis below. Following the flotation of Wynyard on the New Zealand stock exchange in July 2013, the Group's shareholding was reduced from a controlling stake in the company of 56.8% to a non-controlling stake of 24.5%. Further details can be found in note 17d) of the 2013 Annual Report and Accounts.

Total income and average number of employees

Total income and the average monthly number of employees on a full-time equivalent basis during the year ended 31 December 2013 are analysed below. The information presented is at a full Group level of consolidation, consistent with the 2013 Annual Report and Accounts prepared under International Financial Reporting Standards. Total income is defined as net interest income plus fees and commissions receivable (net of fees and commissions payable), together with all other components of operating income. Total income of £601.1m is that disclosed in the Group's 2013 Income Statement.

	UK	Australia	Guernsey	New Zealand	USA	Canada	Total
Total income (£m)	564.2	2.1	11.7	22.9	0.2	-	601.1
Average number of employees	7,617	13	29	189	3	2	7,853

The information set out in this announcement is unaudited.

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