

Country-by-Country Reporting

The reporting obligations set out in Article 89 of the European Union's Capital Requirements Directive IV (CRD IV) have been implemented in the UK by the Capital Requirements (Country-by-Country Reporting) Regulations.

Newcastle Building Society is the biggest building society in the North East and the eighth largest in the UK with assets in excess of £3.6 billion.

As a mutual organisation, the Society's primary focus is its members and it aims to provide mortgage, savings and insurance products supported by excellent customer service. Additionally, the Society offers financial advice through Newcastle Financial Services Limited and provides outsourcing of financial services through the Newcastle Strategic Solutions division.

The consolidated financial statements of the Newcastle Building Society Group include the audited results of the Society and its subsidiary undertakings. The consolidated entities, their principal activities and countries of incorporation, are detailed in Note 16 to the Annual Report and Accounts. All of the consolidated entities were incorporated in the United Kingdom, with the exception of Newcastle Mortgage Loans (Jersey) Limited, which is incorporated and operates with no employees in Jersey. The Society also operates a branch in Gibraltar

For the year ended 31 December 2013:

- Group total operating income was £47.5m, the proportion not arising from UK-based activity is not considered material for the purposes of this disclosure.
- The average number of Group full time equivalent employees was 790.4, of which 783.6 were employed in the UK and 6.8 in Gibraltar.

The Country-by-Country Reporting obligations for subsequent financial years will be met via a disclosure in the Annual Report and Accounts.