

# Restatement Document

Q2 2014



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### Forward-looking statements

Certain sections in this document contain 'forward-looking statements' as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements that include the words 'expect', 'estimate', 'project', 'anticipate', 'believes', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'target', 'goal', 'objective', 'will', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on such expressions. The forward-looking statements contained in this document speak only as of the date of this announcement, and RBS does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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## The Royal Bank of Scotland Group plc ("RBS")

### **Divisional Reorganisation and Reporting Changes**

This announcement provides further details of the changes to the RBS structure announced in February 2014 and includes restated financial results for the year ended 31 December 2013 on the basis of the new segments. To aid comparison of RBS's second quarter 2014 results with prior periods, restated financial information for the periods ended 31 March 2014 and 30 June 2013 is also contained within.

While these restatements affect the segmental results, they do not affect RBS's overall statutory income statement, balance sheet, other primary statements or regulatory capital measures.

#### **Divisional Reorganisation**

##### **Organisational change**

On 27 February 2014, RBS announced a refreshed strategic direction with the ambition of building a bank which earns its customers' trust by serving them better than any other bank.

##### **Business structure**

RBS is now structured to deliver this ambition by organising itself around the needs of its customers, so as to combine customer groups with similar needs into franchises able to deliver co-ordinated services.

The reorganised bank will be a UK-focused retail and corporate bank with an international footprint to drive its corporate business. The previously reported operating divisions are now realigned into three franchises:

- Personal & Business Banking (PBB) serves individual and mass affluent customers together with small businesses (generally up to £2 million turnover), with more business bankers moving back into branches. PBB comprises two reportable segments, UK Personal & Business Banking, including Williams & Glyn, (UK PBB) and Ulster Bank.
- Commercial & Private Banking (CPB) serves commercial and mid-corporate customers and high net worth individuals, deepening relationships with commercial clients, operating overseas through its market-leading trade and foreign exchange services, while connecting our private banking brands more effectively to successful business owners and entrepreneurs. CPB comprises two reportable segments, Commercial Banking and Private Banking.
- Corporate & Institutional Banking (CIB) serves our corporate and institutional clients primarily in the UK and Western Europe, as well as those US and Asian multinationals with substantial trade and investment links in the region, with debt financing, risk management and trade services, focusing on core product capabilities that are of most relevance to our clients. CIB is a single reportable segment.

In addition to the segments noted above, RBS will continue to manage and report Citizens Financial Group (CFG) and RBS Capital Resolution (RCR) separately until disposal or wind-down. Residual unallocated costs will continue to be reported within Central items.

RBS's first quarter 2014 results announcement provided details of transfers between Non-Core, the divisions and RCR which were effective 1 January 2014; no restatements were made in respect of these transfers. The realignment of previously reported operating divisions into three franchises does not impact RCR.

In the new reporting structure, US Retail & Commercial (US R&C) is now referred to as CFG and Wealth is now referred to as Private Banking.

## The Royal Bank of Scotland Group plc (“RBS”)

### **Reporting Changes**

In order to present a more complete picture of funding, operational and business costs of the franchises and operating segments, the following reporting changes have been implemented:

#### **One-off and other items**

To improve the transparency of the operating performance of the reporting segments, a number of previously centrally reported items (Payment Protection Insurance costs, Interest Rate Hedging Products redress and related costs, regulatory and legal actions, Restructuring costs, amortisation of purchased intangible assets and bank levy) have now been allocated to the reporting segments. Only the following one-off and other items will be now reported as central items:

- Own credit adjustments
- Gain/(loss) on redemption of own debt
- Write-down of goodwill
- Strategic disposals
- RFS Holdings minority interest

#### **Revised allocation of costs**

As part of its internal reorganisation, RBS has centralised all services and functions. The costs relating to Services and Functions previously reported as direct expenses in the divisions are now reallocated to businesses using appropriate drivers and reported as indirect expenses in the segmental income statements.

The costs and drivers of functions and services will be discussed in RBS's second quarter 2014 results announcement.

#### **Treasury allocations**

The basis of allocation of Treasury costs has been amended to align the recovery of funding and hedging costs across RBS and for the transfer of certain assets and their associated costs out of Treasury.

#### **Revised segmental return on equity**

For the purposes of computing segmental return on equity, notional equity is calculated as a percentage of the monthly average of segmental risk-weighted assets (RWAs). Previously, notional equity was allocated at 10% of RWAs after capital deductions (RWAE). This has been revised to 12% of RWAs across all businesses.

#### **Interim results 2014**

RBS's results for the first half of 2014 will be announced on Friday 1 August 2014. These results will be reported on the new structure and reporting basis as described above.

In conjunction with this Q2 Restatement Document, a financial supplement showing restated financial information for the last nine quarters will be available at [www.investors.rbs.com/restatement](http://www.investors.rbs.com/restatement).

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## Document roadmap

Pages 4 to 11 show the income statements, key metrics and balance sheets for the new customer franchises. These reflect the re-presentation of certain one-off and other items that were previously reported below operating profit and the impact of changes to the allocation of costs from Services and Functions.

*Appendix 1* shows the adjustments to the consolidated income statement as previously reported to the new restated basis. This reflects the re-presentation of one-off and other items, including Restructuring costs and Litigation and conduct costs that were previously reported below operating profit. As discussed under 'Reporting Changes' on page 2, only a limited number of items are now shown below operating profit.

Operating results on a statutory basis are not affected by the changes described in this document. Reconciliations between the revised basis and the statutory basis are included on pages 13 to 16.

*Appendix 2* summarises the performance of each of the new reportable segments and shows how the previously reported divisions have been allocated to the new reportable segments. These tables include more detailed key metrics (ROE, cost:income ratio) and balance sheet items.

*Appendix 3* shows the adjustments to the previously reported divisional results to the new restated basis and shows how these divisions have been allocated to the new reportable segments. These tables include more detailed key metrics (cost:income ratio) and balance sheet items.

## Customer franchises

### Total RBS

	Quarter ended 31 March 2014											
	PBB			CPB			CIB		Central items (1) £m	CFG £m	RCR £m	Total RBS £m
	UK PBB £m	Ulster Bank £m	Total £m	Commercial Banking £m	Private Banking £m	Total £m	£m					
<b>Income statement (2)</b>												
Net interest income	1,124	154	1,278	488	170	658	179	103	488	(8)	2,698	
Non-interest income	339	47	386	282	103	385	1,172	102	229	81	2,355	
<b>Total income</b>	<b>1,463</b>	<b>201</b>	<b>1,664</b>	<b>770</b>	<b>273</b>	<b>1,043</b>	<b>1,351</b>	<b>205</b>	<b>717</b>	<b>73</b>	<b>5,053</b>	
Direct expenses												
- staff	(225)	(63)	(288)	(133)	(80)	(213)	(272)	(585)	(251)	(38)	(1,647)	
- other	(130)	(17)	(147)	(63)	(18)	(81)	(113)	(1,024)	(249)	(18)	(1,632)	
Indirect expenses	(520)	(63)	(583)	(212)	(101)	(313)	(588)	1,507	-	(23)	-	
Restructuring costs												
- direct	-	-	-	-	-	-	(15)	(114)	-	-	(129)	
- indirect	10	(2)	8	(1)	-	(1)	(24)	17	-	-	-	
<b>Total expenses</b>	<b>(865)</b>	<b>(145)</b>	<b>(1,010)</b>	<b>(409)</b>	<b>(199)</b>	<b>(608)</b>	<b>(1,012)</b>	<b>(199)</b>	<b>(500)</b>	<b>(79)</b>	<b>(3,408)</b>	
Operating profit/(loss) before impairment losses	598	56	654	361	74	435	339	6	217	(6)	1,645	
Impairment (losses)/recoveries	(88)	(47)	(135)	(40)	1	(39)	(6)	(1)	(73)	(108)	(362)	
<b>Operating profit/(loss)</b>	<b>510</b>	<b>9</b>	<b>519</b>	<b>321</b>	<b>75</b>	<b>396</b>	<b>333</b>	<b>5</b>	<b>144</b>	<b>(114)</b>	<b>1,283</b>	
<b>Memo:</b>												
Profit attributable to ordinary and B shareholders (4)											1,195	
Total expenses - adjusted (5)	(875)	(143)	(1,018)	(408)	(199)	(607)	(973)	(102)	(500)	(79)	(3,279)	
Operating profit/(loss) - adjusted (5)	500	11	511	322	75	397	372	102	144	(114)	1,412	

For the notes to this table refer to the following page.

## Customer franchises

### Total RBS

Key metrics	Quarter ended 31 March 2014												
	PBB			CPB			CIB			Central items	CFG	RCR	Total RBS
	UK PBB	Ulster Bank	Total	Commercial Banking	Private Banking	Total							
Return on equity (6)	26.0%	0.9%	16.7%	12.6%	15.3%	13.1%	5.6%	nm	5.1%	(7.3%)	8.9%		
Return on equity - adjusted (5,6)	25.5%	1.1%	16.4%	12.7%	15.3%	13.1%	6.2%	nm	5.1%	(7.3%)	9.7%		
Net interest margin	3.61%	2.29%	3.37%	2.68%	3.70%	2.89%	0.85%	nm	2.94%	(0.08%)	2.12%		
Cost:income ratio	59%	72%	61%	53%	73%	58%	75%	nm	70%	108%	67%		
Cost:income ratio - adjusted (5)	60%	71%	61%	53%	73%	58%	72%	nm	70%	108%	65%		
Loan impairment charge as a % of gross loans and advances	0.3%	0.7%	0.3%	0.2%	-	0.2%	-	nm	0.5%	1.2%	0.1%		
<b>Capital and balance sheet (7)</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>		
Loans and advances to customers (gross, excluding reverse repos)	128.4	26.6	155.0	86.2	16.8	103.0	70.7	0.7	53.2	34.0	416.6		
Loan impairment provisions	(2.9)	(3.4)	(6.3)	(1.3)	(0.1)	(1.4)	(0.2)	(0.1)	(0.5)	(15.7)	(24.2)		
Net loans and advances to customers	125.5	23.2	148.7	84.9	16.7	101.6	70.5	0.6	52.7	18.3	392.4		
Total funded assets	132.8	26.0	158.8	89.6	21.1	110.7	286.6	90.4	75.7	24.3	746.5		
Risk elements in lending	4.5	4.7	9.2	3.4	0.3	3.7	0.1	0.1	1.3	23.0	37.4		
Customer deposits (excluding repos)	144.6	21.1	165.7	87.6	36.6	124.2	57.1	1.0	54.9	1.5	404.4		
Loan:deposit ratio (excluding repos)	87%	110%	90%	97%	45%	82%	123%	nm	96%	nm	97%		
Provision coverage (8)	65%	72%	68%	37%	45%	38%	199%	nm	41%	68%	65%		
Risk-weighted assets (Basel 3)	48.5	28.7	77.2	63.5	12.0	75.5	140.2	19.6	61.3	40.5	414.3		

nm = not meaningful

#### Notes:

- (1) Central items includes unallocated costs which principally comprise profits on the sale of the Treasury AFS portfolio (quarter ended 31 March 2014 - £203 million, year ended 31 December 2013 - £724 million, half year ended 30 June 2013 - £460 million and quarter ended 30 June 2013 - £105 million) and profit and loss on hedges that do not qualify for hedge accounting.
- (2) Excluding residual one-off and other items as discussed on page 2. Items previously reported below operating profit including restructuring costs and litigation and conduct costs, are now allocated to the individual businesses and reflected in their results.
- (3) Litigation and conduct costs in 2013 mainly relate to: Payment Protection Insurance (PPI) in PPB; Interest Rate Hedging Products redress and related costs (IRHP) allocated 50% to CPB and 50% to CIB; and regulatory and legal actions principally relating to LIBOR and mortgage-backed securities in CIB.
- (4) See Appendix 1 for reconciliations of restated operating profit/(loss) to profit/(loss) attributable to ordinary and B shareholders.
- (5) Excluding restructuring costs and litigation and conduct costs.
- (6) Divisional return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (7) Includes disposal groups.
- (8) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Customer franchises

### Total RBS

	Year ended 31 December 2013											
	PBB			CPB			CIB		Central items (1) £m	CFG £m	Non-Core £m	Total RBS £m
	UK PBB £m	Ulster Bank £m	Total £m	Commercial Banking £m	Private Banking £m	Total £m	£m					
<b>Income statement (2)</b>												
Net interest income	4,490	619	5,109	1,962	658	2,620	684	783	1,892	(96)	10,992	
Non-interest income	1,323	240	1,563	1,195	419	1,614	4,324	126	1,073	(250)	8,450	
<b>Total income</b>	<b>5,813</b>	<b>859</b>	<b>6,672</b>	<b>3,157</b>	<b>1,077</b>	<b>4,234</b>	<b>5,008</b>	<b>909</b>	<b>2,965</b>	<b>(346)</b>	<b>19,442</b>	
Direct expenses												
- staff	(933)	(239)	(1,172)	(515)	(318)	(833)	(984)	(2,612)	(1,091)	(190)	(6,882)	
- other	(524)	(63)	(587)	(272)	(83)	(355)	(690)	(4,308)	(986)	(202)	(7,128)	
Indirect expenses	(1,949)	(263)	(2,212)	(886)	(475)	(1,361)	(2,893)	6,790	(111)	(213)	-	
Restructuring costs												
- direct	(118)	(27)	(145)	(18)	(18)	(36)	(85)	(358)	(16)	(16)	(656)	
- indirect	(109)	(12)	(121)	(37)	(9)	(46)	(117)	290	-	(6)	-	
<b>Litigation and conduct costs (3)</b>	<b>(860)</b>	<b>(90)</b>	<b>(950)</b>	<b>(247)</b>	<b>(206)</b>	<b>(453)</b>	<b>(2,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,844)</b>	
<b>Total expenses</b>	<b>(4,493)</b>	<b>(694)</b>	<b>(5,187)</b>	<b>(1,975)</b>	<b>(1,109)</b>	<b>(3,084)</b>	<b>(7,210)</b>	<b>(198)</b>	<b>(2,204)</b>	<b>(627)</b>	<b>(18,510)</b>	
Operating profit/(loss) before impairment losses	1,320	165	1,485	1,182	(32)	1,150	(2,202)	711	761	(973)	932	
<b>Impairment losses</b>	<b>(501)</b>	<b>(1,774)</b>	<b>(2,275)</b>	<b>(652)</b>	<b>(29)</b>	<b>(681)</b>	<b>(680)</b>	<b>(64)</b>	<b>(156)</b>	<b>(4,576)</b>	<b>(8,432)</b>	
<b>Operating profit/(loss)</b>	<b>819</b>	<b>(1,609)</b>	<b>(790)</b>	<b>530</b>	<b>(61)</b>	<b>469</b>	<b>(2,882)</b>	<b>647</b>	<b>605</b>	<b>(5,549)</b>	<b>(7,500)</b>	
<b>Memo:</b>												
Loss attributable to ordinary and B shareholders (4)											<b>(8,995)</b>	
<b>Total expenses - adjusted (5)</b>	<b>(3,406)</b>	<b>(565)</b>	<b>(3,971)</b>	<b>(1,673)</b>	<b>(876)</b>	<b>(2,549)</b>	<b>(4,567)</b>	<b>(130)</b>	<b>(2,188)</b>	<b>(605)</b>	<b>(14,010)</b>	
Operating profit/(loss) - adjusted (5)	1,906	(1,480)	426	832	172	1,004	(239)	715	621	(5,527)	(3,000)	
Impairments pertaining to the creation of RCR	(2)	(892)	(894)	(123)	-	(123)	(355)	-	-	(3,118)	(4,490)	

For the notes to this table refer to page 5.

## Customer franchises

### Total RBS

Key metrics	Year ended 31 December 2013												
	PBB			CPB			CIB			Central items	CFG	Non-Core	Total RBS
	UK PBB	Ulster Bank	Total	Commercial Banking	Private Banking	Total							
Return on equity (6)	9.8%	(33.2%)	(5.7%)	4.9%	(3.1%)	3.7%	(12.9%)	nm	5.7%	(73.2%)	(14.5%)		
Return on equity - adjusted (5,6)	22.8%	(30.6%)	3.1%	7.7%	8.7%	7.9%	(1.1%)	nm	5.8%	(72.9%)	(9.1%)		
Net interest margin	3.56%	1.88%	3.21%	2.64%	3.47%	2.81%	0.80%	nm	2.91%	(0.19%)	2.01%		
Cost:income ratio	77%	81%	78%	63%	103%	73%	144%	nm	74%	(181%)	95%		
Cost:income ratio - adjusted (5)	59%	66%	60%	53%	81%	60%	91%	nm	74%	(175%)	72%		
Loan impairment charge as a % of gross loans and advances	0.4%	5.6%	1.4%	0.8%	0.2%	0.7%	1.0%	nm	0.3%	12.5%	2.0%		
<b>Capital and balance sheet (7)</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>		
Loans and advances to customers (gross, excluding reverse repos)	127.8	31.4	159.2	85.0	16.8	101.8	69.1	0.4	50.6	36.7	417.8		
Loan impairment provisions	(3.0)	(5.4)	(8.4)	(1.5)	(0.1)	(1.6)	(0.9)	(0.2)	(0.3)	(13.8)	(25.2)		
Net loans and advances to customers	124.8	26.0	150.8	83.5	16.7	100.2	68.2	0.2	50.3	22.9	392.6		
Total funded assets	132.2	28.0	160.2	87.9	21.0	108.9	268.6	102.8	71.3	28.0	739.8		
Risk elements in lending	4.7	8.5	13.2	4.3	0.3	4.6	1.6	-	1.0	19.0	39.4		
Customer deposits (excluding repos)	144.9	21.7	166.6	90.7	37.2	127.9	64.8	1.1	55.1	2.2	417.7		
Loan:deposit ratio (excluding repos)	86%	120%	91%	92%	45%	78%	105%	nm	91%	nm	94%		
Provision coverage (8)	63%	64%	63%	38%	43%	38%	59%	nm	26%	73%	64%		
Risk-weighted assets (Basel 2.5)	51.2	30.7	81.9	65.8	12.0	77.8	120.4	20.1	56.1	29.2	385.5		

For the notes to this table refer to page 5.

## Customer franchises

### Total RBS

	Half year ended 30 June 2013											
	PBB			CPB			CIB		Central items (1) £m	CFG £m	Non-Core £m	Total RBS £m
	UK PBB £m	Ulster Bank £m	Total £m	Commercial Banking £m	Private Banking £m	Total £m	£m					
<b>Income statement (2)</b>												
Net interest income	2,200	302	2,502	936	317	1,253	314	451	939	(17)	<b>5,442</b>	
Non-interest income	629	142	771	613	214	827	2,394	221	570	383	<b>5,166</b>	
<b>Total income</b>	<b>2,829</b>	<b>444</b>	<b>3,273</b>	<b>1,549</b>	<b>531</b>	<b>2,080</b>	<b>2,708</b>	<b>672</b>	<b>1,509</b>	<b>366</b>	<b>10,608</b>	
Direct expenses												
- staff	(469)	(124)	(593)	(254)	(173)	(427)	(580)	(1,304)	(572)	(109)	(3,585)	
- other	(200)	(27)	(227)	(145)	(30)	(175)	(284)	(2,002)	(482)	(104)	(3,274)	
Indirect expenses	(947)	(125)	(1,072)	(401)	(228)	(629)	(1,325)	3,182	(48)	(108)	-	
Restructuring costs												
- direct	(70)	(15)	(85)	(14)	(1)	(15)	(37)	(110)	(3)	(21)	(271)	
- indirect	(39)	(6)	(45)	(15)	(4)	(19)	(46)	112	-	(2)	-	
<b>Litigation and conduct costs (3)</b>	<b>(160)</b>	<b>(25)</b>	<b>(185)</b>	<b>(25)</b>	<b>-</b>	<b>(25)</b>	<b>(410)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(620)</b>	
<b>Total expenses</b>	<b>(1,885)</b>	<b>(322)</b>	<b>(2,207)</b>	<b>(854)</b>	<b>(436)</b>	<b>(1,290)</b>	<b>(2,682)</b>	<b>(122)</b>	<b>(1,105)</b>	<b>(344)</b>	<b>(7,750)</b>	
Operating profit before impairment losses	944	122	1,066	695	95	790	26	550	404	22	<b>2,858</b>	
Impairment (losses)/recoveries	(256)	(503)	(759)	(282)	(7)	(289)	(223)	3	(51)	(831)	(2,150)	
<b>Operating profit/(loss)</b>	<b>688</b>	<b>(381)</b>	<b>307</b>	<b>413</b>	<b>88</b>	<b>501</b>	<b>(197)</b>	<b>553</b>	<b>353</b>	<b>(809)</b>	<b>708</b>	
Memo:												
Profit attributable to ordinary and B shareholders (4)											<b>535</b>	
<b>Total expenses - adjusted (5)</b>	<b>(1,616)</b>	<b>(276)</b>	<b>(1,892)</b>	<b>(800)</b>	<b>(431)</b>	<b>(1,231)</b>	<b>(2,189)</b>	<b>(124)</b>	<b>(1,102)</b>	<b>(321)</b>	<b>(6,859)</b>	
<b>Operating profit/(loss) - adjusted (5)</b>	<b>957</b>	<b>(335)</b>	<b>622</b>	<b>467</b>	<b>93</b>	<b>560</b>	<b>296</b>	<b>551</b>	<b>356</b>	<b>(786)</b>	<b>1,599</b>	

For the notes to this table refer to page 5.

## Customer franchises

### Total RBS

Key metrics	Half year ended 30 June 2013											
	PBB			CPB			CIB		Central items	CFG	Non-Core	Total RBS
	UK PBB	Ulster Bank	Total	Commercial Banking	Private Banking	Total						
Return on equity (6)	16.4%	(14.9%)	4.3%	7.6%	8.9%	7.8%	(1.6%)	nm	6.6%	(18.7%)	1.7%	
Return on equity - adjusted (5,6)	22.8%	(13.1%)	8.8%	8.6%	9.4%	8.7%	2.5%	nm	6.7%	(18.2%)	4.2%	
Net interest margin	3.50%	1.82%	3.15%	2.53%	3.33%	2.69%	0.72%	nm	2.90%	(0.06%)	1.97%	
Cost:income ratio	67%	73%	67%	55%	82%	62%	99%	nm	73%	94%	73%	
Cost:income ratio - adjusted (5)	57%	62%	58%	52%	81%	59%	81%	nm	73%	88%	65%	
Loan impairment charge as a % of gross loans and advances	0.4%	3.1%	0.9%	0.7%	0.1%	0.6%	0.6%	nm	0.2%	3.5%	0.5%	
Capital and balance sheet (7)			£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	
Loans and advances to customers (gross, excluding reverse repos)	127.4	32.9	160.3	85.8	17.1	102.9	77.0	0.6	53.3	47.2	441.3	
Loan impairment provisions	(3.4)	(4.4)	(7.8)	(1.5)	(0.1)	(1.6)	(0.6)	-	(0.3)	(11.4)	(21.7)	
Net loans and advances to customers	124.0	28.5	152.5	84.3	17.0	101.3	76.4	0.6	53.0	35.8	419.6	
Total funded assets	131.2	30.3	161.5	88.8	21.3	110.1	328.1	123.3	74.1	45.4	842.5	
Risk elements in lending	5.4	8.6	14.0	4.4	0.3	4.7	1.5	-	1.1	20.9	42.2	
Customer deposits (excluding repos)	139.9	23.1	163.0	91.0	38.9	129.9	79.3	2.1	60.1	2.8	437.2	
Loan deposit ratio (excluding repos)	89%	123%	94%	93%	44%	78%	96%	nm	88%	nm	96%	
Provision coverage (8)	62%	52%	56%	35%	39%	35%	45%	nm	23%	55%	52%	
Risk-weighted assets (Basel 2.5)	52.4	33.9	86.3	67.2	12.5	79.7	143.3	22.2	58.2	46.3	436.0	

For the notes to this table refer to page 5.

## Customer franchises

### Total RBS

	Quarter ended 30 June 2013											
	PBB			CPB			CIB		Central items (1) £m	CFG £m	Non-Core £m	Total RBS £m
	UK PBB £m	Ulster Bank £m	Total £m	Commercial Banking £m	Private Banking £m	Total £m						
<b>Income statement (2)</b>												
Net interest income	1,118	152	1,270	484	159	643	142	226	469	20	<b>2,770</b>	
Non-interest income	320	88	408	325	110	435	1,094	209	278	253	<b>2,677</b>	
<b>Total income</b>	<b>1,438</b>	<b>240</b>	<b>1,678</b>	<b>809</b>	<b>269</b>	<b>1,078</b>	<b>1,236</b>	<b>435</b>	<b>747</b>	<b>273</b>	<b>5,447</b>	
Direct expenses												
- staff	(235)	(67)	(302)	(127)	(88)	(215)	(247)	(663)	(286)	(51)	(1,764)	
- other	(96)	(12)	(108)	(77)	(17)	(94)	(154)	(1,035)	(233)	(49)	(1,673)	
Indirect expenses	(484)	(65)	(549)	(205)	(112)	(317)	(657)	1,606	(27)	(56)	-	
Restructuring costs												
- direct	(47)	(14)	(61)	(7)	(1)	(8)	(24)	(53)	(2)	(1)	(149)	
- indirect	(22)	(4)	(26)	(9)	(2)	(11)	(20)	59	-	(2)	-	
<b>Litigation and conduct costs (3)</b>	<b>(160)</b>	<b>(25)</b>	<b>(185)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(570)</b>	
<b>Total expenses</b>	<b>(1,044)</b>	<b>(187)</b>	<b>(1,231)</b>	<b>(425)</b>	<b>(220)</b>	<b>(645)</b>	<b>(1,487)</b>	<b>(86)</b>	<b>(548)</b>	<b>(159)</b>	<b>(4,156)</b>	
Operating profit/(loss) before impairment losses	394	53	447	384	49	433	(251)	349	199	114	<b>1,291</b>	
Impairment (losses)/recoveries	(126)	(263)	(389)	(155)	(2)	(157)	(144)	3	(32)	(398)	(1,117)	
<b>Operating profit/(loss)</b>	<b>268</b>	<b>(210)</b>	<b>58</b>	<b>229</b>	<b>47</b>	<b>276</b>	<b>(395)</b>	<b>352</b>	<b>167</b>	<b>(284)</b>	<b>174</b>	
<b>Memo:</b>												
Profit attributable to ordinary and B shareholders (4)											<b>142</b>	
<b>Total expenses - adjusted (5)</b>	<b>(815)</b>	<b>(144)</b>	<b>(959)</b>	<b>(409)</b>	<b>(217)</b>	<b>(626)</b>	<b>(1,058)</b>	<b>(92)</b>	<b>(546)</b>	<b>(156)</b>	<b>(3,437)</b>	
<b>Operating profit/(loss) - adjusted (5)</b>	<b>497</b>	<b>(167)</b>	<b>330</b>	<b>245</b>	<b>50</b>	<b>295</b>	<b>34</b>	<b>346</b>	<b>169</b>	<b>(281)</b>	<b>893</b>	

For the notes to this table refer to page 5.

## Customer franchises

### Total RBS

Key metrics	Quarter ended 30 June 2013												
	PBB			CPB			CIB			Central items	CFG	Non-Core	Total RBS
	UK PBB	Ulster Bank	Total	Commercial Banking	Private Banking	Total							
Return on equity (6)	12.8%	(16.8%)	1.7%	8.5%	9.4%	8.6%	(6.8%)	nm	6.3%	(14.1%)	0.9%		
Return on equity - adjusted (5,6)	23.8%	(13.4%)	9.5%	9.1%	10.0%	9.2%	0.6%	nm	6.4%	(13.9%)	5.0%		
Net interest margin	3.56%	1.84%	3.20%	2.63%	3.34%	2.77%	0.67%	nm	2.89%	0.15%	2.00%		
Cost:income ratio	73%	78%	73%	53%	82%	60%	120%	nm	73%	58%	76%		
Cost:income ratio - adjusted (5)	57%	60%	57%	51%	81%	58%	86%	nm	73%	57%	63%		
Loan impairment charge as a % of gross loans and advances	0.4%	3.2%	1.0%	0.7%	-	0.6%	0.7%	nm	0.2%	3.4%	0.3%		
Capital and balance sheet (7)			£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	
Loans and advances to customers (gross, excluding reverse repos)	127.4	32.9	160.3	85.8	17.1	102.9	77.0	0.6	53.3	47.2	441.3		
Loan impairment provisions	(3.4)	(4.4)	(7.8)	(1.5)	(0.1)	(1.6)	(0.6)	-	(0.3)	(11.4)	(21.7)		
Net loans and advances to customers	124.0	28.5	152.5	84.3	17.0	101.3	76.4	0.6	53.0	35.8	419.6		
Total funded assets	131.2	30.3	161.5	88.8	21.3	110.1	328.1	123.3	74.1	45.4	842.5		
Risk elements in lending	5.4	8.6	14.0	4.4	0.3	4.7	1.5	-	1.1	20.9	42.2		
Customer deposits (excluding repos)	139.9	23.1	163.0	91.0	38.9	129.9	79.3	2.1	60.1	2.8	437.2		
Loan deposit ratio (excluding repos)	89%	123%	94%	92%	44%	78%	97%	nm	88%	nm	96%		
Provision coverage (8)	62%	52%	56%	35%	39%	35%	45%	nm	23%	55%	52%		
Risk-weighted assets (Basel 2.5)	52.4	33.9	86.3	67.2	12.5	79.7	143.3	22.2	58.2	46.3	436.0		

For the notes to this table refer to page 5.

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## Appendix 1

# Consolidated income statement

## Consolidated income statement reconciliation for the quarter ended 31 March 2014

	As previously reported £m	Re-presentation of one-off and other items £m	Restated £m	Reallocation of residual one-off and other items £m	Presentational adjustments (1) £m	Statutory £m
Interest receivable	3,799	-	3,799	1	-	3,800
Interest payable	(1,101)	-	(1,101)	(4)	-	(1,105)
<b>Net interest income</b>	<b>2,698</b>	<b>-</b>	<b>2,698</b>	<b>(3)</b>	<b>-</b>	<b>2,695</b>
Fees and commissions receivable	1,291	-	1,291	-	-	1,291
Fees and commissions payable	(236)	-	(236)	-	-	(236)
Income from trading activities	856	-	856	96	-	952
Gain on redemption of own debt	-	-	-	20	-	20
Other operating income	444	-	444	247	-	691
<b>Non-interest income</b>	<b>2,355</b>	<b>-</b>	<b>2,355</b>	<b>363</b>	<b>-</b>	<b>2,718</b>
<b>Total income</b>	<b>5,053</b>	<b>-</b>	<b>5,053</b>	<b>360</b>	<b>-</b>	<b>5,413</b>
Staff costs	(1,647)	-	(1,647)	(1)	(43)	(1,691)
Premises and equipment	(594)	-	(594)	-	(59)	(653)
Other administrative expenses	(687)	-	(687)	1	(25)	(711)
Depreciation and amortisation	(262)	(7)	(269)	(1)	(2)	(272)
Write-down of other intangible assets	-	(82)	(82)	-	-	(82)
Restructuring costs	-	(129)	(129)	-	129	-
<b>Operating expenses</b>	<b>(3,190)</b>	<b>(218)</b>	<b>(3,408)</b>	<b>(1)</b>	<b>-</b>	<b>(3,409)</b>
<b>Profit before impairment losses</b>	<b>1,863</b>	<b>(218)</b>	<b>1,645</b>	<b>359</b>	<b>-</b>	<b>2,004</b>
Impairment losses	(362)	-	(362)	-	-	(362)
<b>Operating profit</b>	<b>1,501</b>	<b>(218)</b>	<b>1,283</b>	<b>359</b>	<b>-</b>	<b>1,642</b>
Own credit adjustments (2)	139	-	139	(139)	-	-
Restructuring costs	(129)	129	-	-	-	-
Gain on redemption of own debt	20	-	20	(20)	-	-
Write-down of goodwill and other intangible assets	(82)	82	-	-	-	-
Amortisation of purchased intangible assets	(7)	7	-	-	-	-
Strategic disposals	191	-	191	(191)	-	-
RFS Holdings minority interest	9	-	9	(9)	-	-
<b>Profit before tax</b>	<b>1,642</b>	<b>-</b>	<b>1,642</b>	<b>-</b>	<b>-</b>	<b>1,642</b>
Tax	(362)	-	(362)	-	-	(362)
<b>Profit from continuing operations</b>	<b>1,280</b>	<b>-</b>	<b>1,280</b>	<b>-</b>	<b>-</b>	<b>1,280</b>
Profit from discontinued operations, net of tax	9	-	9	-	-	9
<b>Profit for the period</b>	<b>1,289</b>	<b>-</b>	<b>1,289</b>	<b>-</b>	<b>-</b>	<b>1,289</b>
Non-controlling interests	(19)	-	(19)	-	-	(19)
Preference share and other dividends	(75)	-	(75)	-	-	(75)
<b>Profit attributable to ordinary and B shareholders</b>	<b>1,195</b>	<b>-</b>	<b>1,195</b>	<b>-</b>	<b>-</b>	<b>1,195</b>

Notes:

- (1) Reallocation of separately reported restructuring costs and litigation and conduct costs to the statutory operating expense lines.
- (2) Reallocation of £95 million gain to income from trading activities and £44 million gain to other operating income.

## Consolidated income statement reconciliation for the year ended 31 December 2013

	As previously reported £m	Re-presentation of one-off and other items £m	Restated £m	Reallocation of residual one-off and other items £m	Presentational adjustments (1) £m	Statutory £m
Interest receivable	16,740	-	16,740	-	-	16,740
Interest payable	(5,748)	-	(5,748)	(11)	-	(5,759)
<b>Net interest income</b>	<b>10,992</b>	-	<b>10,992</b>	<b>(11)</b>	-	<b>10,981</b>
Fees and commissions receivable	5,460	-	5,460	-	-	5,460
Fees and commissions payable	(942)	-	(942)	-	-	(942)
Income from trading activities	2,651	-	2,651	34	-	2,685
Gain on redemption of own debt	-	-	-	175	-	175
Other operating income	1,281	-	1,281	117	-	1,398
<b>Non-interest income</b>	<b>8,450</b>	-	<b>8,450</b>	<b>326</b>	-	<b>8,776</b>
<b>Total income</b>	<b>19,442</b>	-	<b>19,442</b>	<b>315</b>	-	<b>19,757</b>
Staff costs	(6,882)	-	(6,882)	(1)	(280)	(7,163)
Premises and equipment	(2,233)	-	(2,233)	-	(115)	(2,348)
Other administrative expenses	(2,947)	(200)	(3,147)	2	(4,099)	(7,244)
Depreciation and amortisation	(1,251)	(153)	(1,404)	-	(6)	(1,410)
Write-down of goodwill and other intangible assets	-	(344)	(344)	(1,059)	-	(1,403)
Restructuring costs	-	(656)	(656)	-	656	-
Litigation and conduct costs	-	(3,844)	(3,844)	-	3,844	-
<b>Operating expenses</b>	<b>(13,313)</b>	<b>(5,197)</b>	<b>(18,510)</b>	<b>(1,058)</b>	-	<b>(19,568)</b>
<b>Profit before impairment losses</b>	<b>6,129</b>	<b>(5,197)</b>	<b>932</b>	<b>(743)</b>	-	<b>189</b>
Impairment losses	(8,432)	-	(8,432)	-	-	(8,432)
<b>Operating loss</b>	<b>(2,303)</b>	<b>(5,197)</b>	<b>(7,500)</b>	<b>(743)</b>	-	<b>(8,243)</b>
Own credit adjustments (2)	(120)	-	(120)	120	-	-
Payment Protection Insurance costs	(900)	900	-	-	-	-
Interest Rate Hedging Products redress and related costs	(550)	550	-	-	-	-
Regulatory and legal actions	(2,394)	2,394	-	-	-	-
Restructuring costs	(656)	656	-	-	-	-
Gain on redemption of own debt	175	-	175	(175)	-	-
Write-down of goodwill and other intangible assets	(1,403)	344	(1,059)	1,059	-	-
Amortisation of purchased intangible assets	(153)	153	-	-	-	-
Strategic disposals	161	-	161	(161)	-	-
Bank levy	(200)	200	-	-	-	-
RFS Holdings minority interest	100	-	100	(100)	-	-
<b>Loss before tax</b>	<b>(8,243)</b>	-	<b>(8,243)</b>	-	-	<b>(8,243)</b>
Tax	(382)	-	(382)	-	-	(382)
<b>Loss from continuing operations</b>	<b>(8,625)</b>	-	<b>(8,625)</b>	-	-	<b>(8,625)</b>
Profit from discontinued operations, net of tax	148	-	148	-	-	148
<b>Loss for the period</b>	<b>(8,477)</b>	-	<b>(8,477)</b>	-	-	<b>(8,477)</b>
Non-controlling interests	(120)	-	(120)	-	-	(120)
Preference share and other dividends	(398)	-	(398)	-	-	(398)
<b>Loss attributable to ordinary and B shareholders</b>	<b>(8,995)</b>	-	<b>(8,995)</b>	-	-	<b>(8,995)</b>

Notes:

- (1) Reallocation of separately reported restructuring costs and litigation and conduct costs to the statutory operating expense lines.
- (2) Reallocation of £35 million gain to income from trading activities and £155 million loss to other operating income.

## Consolidated income statement reconciliation for the half year ended 30 June 2013

	As previously reported £m	Re-presentation of one-off and other items £m	Restated £m	Reallocation of residual one-off and other items £m	Presentational adjustments (1) £m	Statutory £m
Interest receivable	8,560	-	8,560	-	-	8,560
Interest payable	(3,118)	-	(3,118)	(5)	-	(3,123)
<b>Net interest income</b>	<b>5,442</b>	-	<b>5,442</b>	<b>(5)</b>	-	<b>5,437</b>
Fees and commissions receivable	2,708	-	2,708	-	-	2,708
Fees and commissions payable	(460)	-	(460)	-	-	(460)
Income from trading activities	1,890	-	1,890	174	-	2,064
Gain on redemption of own debt	-	-	-	191	-	191
Other operating income	1,028	-	1,028	304	-	1,332
<b>Non-interest income</b>	<b>5,166</b>	-	<b>5,166</b>	<b>669</b>	-	<b>5,835</b>
<b>Total income</b>	<b>10,608</b>	-	<b>10,608</b>	<b>664</b>	-	<b>11,272</b>
Staff costs	(3,585)	-	(3,585)	-	(142)	(3,727)
Premises and equipment	(1,079)	-	(1,079)	-	(25)	(1,104)
Other administrative expenses	(1,479)	-	(1,479)	2	(704)	(2,181)
Depreciation and amortisation	(637)	(79)	(716)	-	(20)	(736)
Write-down of goodwill and other intangible assets						
Restructuring costs	-	(271)	(271)	-	271	-
Litigation and conduct costs	-	(620)	(620)	-	620	-
<b>Operating expenses</b>	<b>(6,780)</b>	<b>(970)</b>	<b>(7,750)</b>	<b>2</b>	-	<b>(7,748)</b>
<b>Profit before impairment losses</b>	<b>3,828</b>	<b>(970)</b>	<b>2,858</b>	<b>666</b>	-	<b>3,524</b>
Impairment losses	(2,150)	-	(2,150)	-	-	(2,150)
<b>Operating profit</b>	<b>1,678</b>	<b>(970)</b>	<b>708</b>	<b>666</b>	-	<b>1,374</b>
Own credit adjustments (2)	376	-	376	(376)	-	-
Payment Protection Insurance costs	(185)	185	-	-	-	-
Interest Rate Hedging Products redress and related costs	(50)	50	-	-	-	-
Regulatory and legal actions	(385)	385	-	-	-	-
Restructuring costs	(271)	271	-	-	-	-
Gain on redemption of own debt	191	-	191	(191)	-	-
Write-down of goodwill and other intangible assets						
Amortisation of purchased intangible assets	(79)	79	-	-	-	-
Strategic disposals	-	-	-	-	-	-
RFS Holdings minority interest	99	-	99	(99)	-	-
<b>Profit before tax</b>	<b>1,374</b>	-	<b>1,374</b>	-	-	<b>1,374</b>
Tax	(678)	-	(678)	-	-	(678)
<b>Profit from continuing operations</b>	<b>696</b>	-	<b>696</b>	-	-	<b>696</b>
Profit from discontinued operations, net of tax	138	-	138	-	-	138
<b>Profit for the period</b>	<b>834</b>	-	<b>834</b>	-	-	<b>834</b>
Non-controlling interests	(117)	-	(117)	-	-	(117)
Preference share and other dividends	(182)	-	(182)	-	-	(182)
<b>Profit attributable to ordinary and B shareholders</b>	<b>535</b>	-	<b>535</b>	-	-	<b>535</b>

Notes:

- (1) Reallocation of separately reported restructuring costs and litigation and conduct costs to the statutory operating expense lines.
- (2) Reallocation of £175 million gain to income from trading activities and £201 million gain to other operating income.

## Consolidated income statement reconciliation for the quarter ended 30 June 2013

	As previously reported £m	Re-presentation of one-off and other items £m	Restated £m	Reallocation of residual one-off and other items £m	Presentational adjustments (1) £m	Statutory £m
Interest receivable	4,281	-	4,281	-	-	4,281
Interest payable	(1,511)	-	(1,511)	(3)	-	(1,514)
<b>Net interest income</b>	<b>2,770</b>	-	<b>2,770</b>	<b>(3)</b>	-	<b>2,767</b>
Fees and commissions receivable	1,392	-	1,392	-	-	1,392
Fees and commissions payable	(250)	-	(250)	-	-	(250)
Income from trading activities	874	-	874	75	-	949
Gain on redemption of own debt	-	-	-	242	-	242
Other operating income	661	-	661	59	-	720
<b>Non-interest income</b>	<b>2,677</b>	-	<b>2,677</b>	<b>376</b>	-	<b>3,053</b>
<b>Total income</b>	<b>5,447</b>	-	<b>5,447</b>	<b>373</b>	-	<b>5,820</b>
Staff costs	(1,764)	-	(1,764)	-	(76)	(1,840)
Premises and equipment	(526)	-	(526)	-	(22)	(548)
Other administrative expenses	(801)	-	(801)	1	(618)	(1,418)
Depreciation and amortisation	(308)	(38)	(346)	-	(3)	(349)
Restructuring costs	-	(149)	(149)	-	149	-
Litigation and conduct costs	-	(570)	(570)	-	570	-
<b>Operating expenses</b>	<b>(3,399)</b>	<b>(757)</b>	<b>(4,156)</b>	<b>1</b>	-	<b>(4,155)</b>
<b>Profit before impairment losses</b>	<b>2,048</b>	<b>(757)</b>	<b>1,291</b>	<b>374</b>	-	<b>1,665</b>
Impairment losses	(1,117)	-	(1,117)	-	-	(1,117)
<b>Operating profit</b>	<b>931</b>	<b>(757)</b>	<b>174</b>	<b>374</b>	-	<b>548</b>
Own credit adjustments (2)	127	-	127	(127)	-	-
Payment Protection Insurance costs	(185)	185	-	-	-	-
Regulatory and legal actions	(385)	385	-	-	-	-
Restructuring costs	(149)	149	-	-	-	-
Gain on redemption of own debt	242	-	242	(242)	-	-
Amortisation of purchased intangible assets	(38)	38	-	-	-	-
Strategic disposals	6	-	6	(6)	-	-
RFS Holdings minority interest	(1)	-	(1)	1	-	-
<b>Profit before tax</b>	<b>548</b>	-	<b>548</b>	-	-	<b>548</b>
Tax	(328)	-	(328)	-	-	(328)
<b>Profit from continuing operations</b>	<b>220</b>	-	<b>220</b>	-	-	<b>220</b>
Profit from discontinued operations, net of tax	9	-	9	-	-	9
<b>Profit for the period</b>	<b>229</b>	-	<b>229</b>	-	-	<b>229</b>
Non-controlling interests	14	-	14	-	-	14
Preference share and other dividends	(101)	-	(101)	-	-	(101)
<b>Profit attributable to ordinary and B shareholders</b>	<b>142</b>	-	<b>142</b>	-	-	<b>142</b>

### Notes:

(1) Reallocation of separately reported restructuring costs and litigation and conduct costs to the statutory operating expense lines.  
 (2) Reallocation of £76 million gain to income from trading activities and £51 million gain to other operating income.

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## Appendix 2

# Components of customer franchises

## **Components of customer franchises**

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The tables in this appendix summarise the performance of each of the new franchises and show how the previously reported divisions have been allocated to them.

Personal & Business Banking (PBB) includes the segments UK Personal & Business Banking (UK PBB) and Ulster Bank. UK PBB includes the whole of UK Retail and Business Banking operations, which serves customers with a turnover of up to £2 million which was previously included in UK Corporate division. Williams & Glyn is included in this segment.

Commercial & Private Banking (CPB) includes the segments Commercial Banking and Private Banking. Commercial Banking comprises the commercial and mid-corporate elements of UK Corporate. It also includes a small number of large domestically focused UK Corporates previously reported within International Banking.

Corporate & Institutional Banking (CIB) includes the majority of customers previously reported within the International Banking and Markets businesses. CIB is reported as a single segment.

## Components of customer franchises

### Operating profit/(loss) by division

Quarter ended 31 March 2014	Allocated from										Total £m
	UK Retail £m	UK Corporate £m	UK Wealth £m	International Banking £m	Ulster Bank £m	CFG £m	Markets £m	Centre £m	RCR £m		
UK PBB	451	59	-	-	-	-	-	-	-	-	510
Ulster Bank	-	-	-	-	9	-	-	-	-	-	9
PBB	451	59	-	-	9	-	-	-	-	-	519
Commercial Banking	-	314	-	3	-	-	-	4	-	-	321
Private Banking	-	-	75	-	-	-	-	-	-	-	75
CPB	-	314	75	3	-	-	-	4	-	-	396
Corporate & Institutional Banking	-	31	-	75	-	-	227	-	-	-	333
Central items	-	-	-	-	-	-	-	5	-	-	5
Citizens Financial Group	-	-	-	-	-	144	-	-	-	-	144
RCR	-	-	-	-	-	-	-	-	(114)	(114)	
Operating profit/(loss)	451	404	75	78	9	144	227	9	(114)	1,283	

Year ended 31 December 2013	Allocated from										Total £m
	UK Retail £m	UK Corporate £m	UK Wealth £m	International Banking £m	Ulster Bank £m	CFG £m	Markets £m	Centre £m	Non- Core £m		
UK PBB	692	127	-	-	-	-	-	-	-	-	819
Ulster Bank	-	-	-	-	(1,609)	-	-	-	-	-	(1,609)
PBB	692	127	-	-	(1,609)	-	-	-	-	-	(790)
Commercial Banking	-	503	-	15	-	-	-	12	-	-	530
Private Banking	-	-	(61)	-	-	-	-	-	-	-	(61)
CPB	-	503	(61)	15	-	-	-	12	-	-	469
Corporate & Institutional Banking	-	(244)	-	66	-	-	(2,704)	-	-	-	(2,882)
Central items	-	-	-	-	-	-	-	647	-	-	647
Citizens Financial Group	-	-	-	-	-	605	-	-	-	-	605
Non-Core	-	-	-	-	-	-	-	-	(5,549)	(5,549)	
Operating profit/(loss)	692	386	(61)	81	(1,609)	605	(2,704)	659	(5,549)	(7,500)	

## Components of customer franchises

	Business allocated from									Total £m
	UK Retail £m	UK Corporate £m	UK Wealth £m	International Banking £m	Ulster Bank £m	CFG £m	Markets £m	Centre £m	Non- Core £m	
Half year ended 30 June 2013										
UK PBB	603	85	-	-	-	-	-	-	-	688
Ulster Bank	-	-	-	-	(381)	-	-	-	-	(381)
PBB	603	85	-	-	(381)	-	-	-	-	307
Commercial Banking	-	400	-	8	-	-	-	5	-	413
Private Banking	-	-	88	-	-	-	-	-	-	88
CPB	-	400	88	8	-	-	-	5	-	501
Corporate & Institutional Banking	-	45	-	62	-	-	(304)	-	-	(197)
Central items	-	-	-	-	-	-	-	553	-	553
Citizens Financial Group	-	-	-	-	-	353	-	-	-	353
Non-Core	-	-	-	-	-	-	-	-	(809)	(809)
Operating profit/(loss)	603	530	88	70	(381)	353	(304)	558	(809)	708
Quarter ended 30 June 2013										
UK PBB	212	56	-	-	-	-	-	-	-	268
Ulster Bank	-	-	-	-	(210)	-	-	-	-	(210)
PBB	212	56	-	-	(210)	-	-	-	-	58
Commercial Banking	-	222	-	4	-	-	-	3	-	229
Private Banking	-	-	47	-	-	-	-	-	-	47
CPB	-	222	47	4	-	-	-	3	-	276
Corporate & Institutional Banking	-	26	-	7	-	-	(428)	-	-	(395)
Central items	-	-	-	-	-	-	-	352	-	352
Citizens Financial Group	-	-	-	-	-	167	-	-	-	167
Non-Core	-	-	-	-	-	-	-	-	(284)	(284)
Operating profit/(loss)	212	304	47	11	(210)	167	(428)	355	(284)	174

## Personal & Business Banking

Income statement	Quarter ended 31 March 2014				Total PBB £m	
	Allocated from		UK PBB £m	Ulster Bank £m		
	UK Retail £m	UK Corporate £m				
Net interest income	972	152	1,124	154	1,278	
Non-interest income	246	93	339	47	386	
<b>Total income</b>	<b>1,218</b>	<b>245</b>	<b>1,463</b>	<b>201</b>	<b>1,664</b>	
Direct expenses						
- staff	(162)	(63)	(225)	(63)	(288)	
- other	(120)	(10)	(130)	(17)	(147)	
Indirect expenses	(437)	(83)	(520)	(63)	(583)	
Restructuring costs						
- indirect	11	(1)	10	(2)	8	
<b>Total expenses</b>	<b>(708)</b>	<b>(157)</b>	<b>(865)</b>	<b>(145)</b>	<b>(1,010)</b>	
Operating profit before impairment losses	510	88	598	56	654	
Impairment losses	(59)	(29)	(88)	(47)	(135)	
<b>Operating profit</b>	<b>451</b>	<b>59</b>	<b>510</b>	<b>9</b>	<b>519</b>	
Memo: operating profit - adjusted (1)	440	60	500	11	511	
<b>Key metrics</b>						
Return on equity (2)	30.3%	12.4%	26.0%	0.9%	16.7%	
Return on equity - adjusted (1,2)	29.6%	12.6%	25.5%	1.1%	16.4%	
Net interest margin	3.51%	4.34%	3.61%	2.29%	3.37%	
Cost:income ratio	58%	64%	59%	72%	61%	
Cost:income ratio - adjusted (1)	59%	64%	60%	71%	61%	
Loan impairment charge as % of gross customer loans and advances	0.2%	0.8%	0.3%	0.7%	0.3%	

Capital and balance sheet	31 March 2014				Total PBB £bn	
	Allocated from		UK PBB £bn	Ulster Bank £bn		
	UK Retail £bn	UK Corporate £bn				
Loans and advances to customers (gross)	113.8	14.6	128.4	26.6	155.0	
Loan impairment provisions	(1.9)	(1.0)	(2.9)	(3.4)	(6.3)	
Net loans and advances to customers	111.9	13.6	125.5	23.2	148.7	
Total funded assets	118.4	14.4	132.8	26.0	158.8	
Risk elements in lending	3.3	1.2	4.5	4.7	9.2	
Customer deposits (excluding repos)	114.8	29.8	144.6	21.1	165.7	
Loan:deposit ratio (excluding repos)	98%	46%	87%	110%	90%	
Provision coverage (3)	58%	85%	65%	72%	68%	
<b>Risk-weighted assets</b>	<b>36.8</b>	<b>11.7</b>	<b>48.5</b>	<b>28.7</b>	<b>77.2</b>	

Notes:

- (1) Excluding restructuring costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAe).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Personal & Business Banking

Income statement	Year ended 31 December 2013				
	Allocated from		UK PBB £m	Ulster Bank £m	Total PBB £m
	UK Retail £m	UK Corporate £m			
Net interest income	3,883	607	4,490	619	5,109
Non-interest income	958	365	1,323	240	1,563
<b>Total income</b>	<b>4,841</b>	<b>972</b>	<b>5,813</b>	<b>859</b>	<b>6,672</b>
Direct expenses					
- staff	(674)	(259)	(933)	(239)	(1,172)
- other	(442)	(82)	(524)	(63)	(587)
Indirect expenses	(1,637)	(312)	(1,949)	(263)	(2,212)
Restructuring costs					
- direct	(118)	-	(118)	(27)	(145)
- indirect	(94)	(15)	(109)	(12)	(121)
Litigation and conduct costs	(860)	-	(860)	(90)	(950)
<b>Total expenses</b>	<b>(3,825)</b>	<b>(668)</b>	<b>(4,493)</b>	<b>(694)</b>	<b>(5,187)</b>
Operating profit before impairment losses	1,016	304	1,320	165	1,485
Impairment losses	(324)	(177)	(501)	(1,774)	(2,275)
<b>Operating profit/(loss)</b>	<b>692</b>	<b>127</b>	<b>819</b>	<b>(1,609)</b>	<b>(790)</b>
Memo: operating profit/(loss) - adjusted (1)	1,764	142	1,906	(1,480)	426
Impairments pertaining to the creation of RCR	-	(2)	(2)	(892)	(894)
<b>Key metrics</b>					
Return on equity (2)	11.4%	5.6%	9.8%	(33.2%)	(5.7%)
Return on equity - adjusted (1,2)	29.0%	6.3%	22.8%	(30.6%)	3.1%
Net interest margin	3.48%	4.14%	3.56%	1.88%	3.21%
Cost:income ratio	79%	69%	77%	81%	78%
Cost:income ratio - adjusted (1)	57%	67%	59%	66%	60%
Loan impairment charge as a % of gross customer loans and advances	0.3%	1.2%	0.4%	5.6%	1.4%

Capital and balance sheet	31 December 2013				
	Allocated from		UK PBB £bn	Ulster Bank £bn	Total PBB £bn
	UK Retail £bn	UK Corporate £bn			
Loans and advances to customers (gross)	113.2	14.6	127.8	31.4	159.2
Loan impairment provisions	(2.1)	(0.9)	(3.0)	(5.4)	(8.4)
Net loans and advances to customers	111.1	13.7	124.8	26.0	150.8
Total funded assets	117.6	14.6	132.2	28.0	160.2
Risk elements in lending	3.6	1.1	4.7	8.5	13.2
Customer deposits (excluding repos)	114.9	30.0	144.9	21.7	166.6
Loan:deposit ratio (excluding repos)	97%	46%	86%	120%	91%
Provision coverage (3)	59%	76%	63%	64%	63%
<b>Risk-weighted assets</b>	<b>37.4</b>	<b>13.8</b>	<b>51.2</b>	<b>30.7</b>	<b>81.9</b>

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAe).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Personal & Business Banking

Income statement	Half year ended 30 June 2013				Total PBB £m	
	Allocated from		UK PBB £m	Ulster Bank £m		
	UK Retail £m	UK Corporate £m				
Net interest income	1,897	303	2,200	302	2,502	
Non-interest income	451	178	629	142	771	
<b>Total income</b>	<b>2,348</b>	<b>481</b>	<b>2,829</b>	<b>444</b>	<b>3,273</b>	
Direct expenses						
- staff	(339)	(130)	(469)	(124)	(593)	
- other	(171)	(29)	(200)	(27)	(227)	
Indirect expenses	(802)	(145)	(947)	(125)	(1,072)	
Restructuring costs						
- direct	(70)	-	(70)	(15)	(85)	
- indirect	(34)	(5)	(39)	(6)	(45)	
Litigation and conduct cost	(160)	-	(160)	(25)	(185)	
<b>Total expenses</b>	<b>(1,576)</b>	<b>(309)</b>	<b>(1,885)</b>	<b>(322)</b>	<b>(2,207)</b>	
Operating profit before impairment losses	772	172	944	122	1,066	
Impairment losses	(169)	(87)	(256)	(503)	(759)	
<b>Operating profit/(loss)</b>	<b>603</b>	<b>85</b>	<b>688</b>	<b>(381)</b>	<b>307</b>	
Memo: operating profit/(loss) - adjusted (1)	867	90	957	(335)	622	
<b>Key metrics</b>						
Return on equity (2)	19.8%	7.3%	16.4%	(14.9%)	4.3%	
Return on equity - adjusted (1,2)	28.5%	7.7%	22.8%	(13.1%)	8.8%	
Net interest margin	3.42%	4.10%	3.50%	1.82%	3.15%	
Cost:income ratio	67%	64%	67%	73%	67%	
Cost:income ratio - adjusted (1)	56%	63%	57%	62%	58%	
Loan impairment charge as a % of gross customer loans and advances	0.3%	1.1%	0.4%	3.1%	0.9%	

Capital and balance sheet	30 June 2013				Total PBB £bn	
	Allocated from		UK PBB £bn	Ulster Bank £bn		
	UK Retail £bn	UK Corporate £bn				
Loans and advances to customers (gross)	112.2	15.2	127.4	32.9	160.3	
Loan impairment provisions	(2.5)	(0.9)	(3.4)	(4.4)	(7.8)	
Net loans and advances to customers	109.7	14.3	124.0	28.5	152.5	
Total funded assets	116.1	15.1	131.2	30.3	161.5	
Risk elements in lending	4.3	1.1	5.4	8.6	14.0	
Customer deposits (excluding repos)	111.6	28.3	139.9	23.1	163.0	
Loan:deposit ratio (excluding repos)	98%	51%	89%	123%	94%	
Provision coverage (3)	58%	77%	62%	52%	56%	
Risk-weighted assets	38.0	14.4	52.4	33.9	86.3	

### Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Personal & Business Banking

Income statement	Quarter ended 30 June 2013				Total PBB £m	
	Allocated from		UK PBB £m	Ulster Bank £m		
	UK Retail £m	UK Corporate £m				
Net interest income	965	153	1,118	152	1,270	
Non-interest income	225	95	320	88	408	
<b>Total income</b>	<b>1,190</b>	<b>248</b>	<b>1,438</b>	<b>240</b>	<b>1,678</b>	
Direct expenses						
- staff	(171)	(64)	(235)	(67)	(302)	
- other	(83)	(13)	(96)	(12)	(108)	
Indirect expenses	(409)	(75)	(484)	(65)	(549)	
Restructuring costs						
- direct	(47)	-	(47)	(14)	(61)	
- indirect	(19)	(3)	(22)	(4)	(26)	
Litigation and conduct costs	(160)	-	(160)	(25)	(185)	
<b>Total expenses</b>	<b>(889)</b>	<b>(155)</b>	<b>(1,044)</b>	<b>(187)</b>	<b>(1,231)</b>	
Operating profit before impairment losses	301	93	394	53	447	
Impairment losses	(89)	(37)	(126)	(263)	(389)	
<b>Operating profit/(loss)</b>	<b>212</b>	<b>56</b>	<b>268</b>	<b>(210)</b>	<b>58</b>	
Memo: operating profit/(loss) - adjusted (1)	438	59	497	(167)	330	
<b>Key metrics</b>						
Return on equity (2)	14.1%	9.6%	12.8%	(16.8%)	1.7%	
Return on equity - adjusted (1,2)	29.0%	10.1%	23.8%	(13.4%)	9.5%	
Net interest margin	3.48%	4.13%	3.56%	1.84%	3.20%	
Cost:income ratio	75%	63%	73%	78%	73%	
Cost:income ratio - adjusted (1)	56%	61%	57%	60%	57%	
Loan impairment charge as % of gross customer loans and advances	0.3%	1.0%	0.4%	3.2%	1.0%	

Capital and balance sheet	30 June 2013				Total PBB £bn	
	Allocated from		UK PBB £bn	Ulster Bank £bn		
	UK Retail £bn	UK Corporate £bn				
Loans and advances to customers (gross)	112.2	15.2	127.4	32.9	160.3	
Loan impairment provisions	(2.5)	(0.9)	(3.4)	(4.4)	(7.8)	
Net loans and advances to customers	109.7	14.3	124.0	28.5	152.5	
Total funded assets	116.1	15.1	131.2	30.3	161.5	
Risk elements in lending	4.3	1.1	5.4	8.6	14.0	
Customer deposits (excluding repos)	111.6	28.3	139.9	23.1	163.0	
Loan:deposit ratio (excluding repos)	98%	51%	89%	123%	94%	
Provision coverage (3)	58%	77%	62%	52%	56%	
Risk-weighted assets	38.0	14.4	52.4	33.9	86.3	

### Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Commercial & Private Banking

Income statement	Quarter ended 31 March 2014					Total CPB £m
	Allocated from			Commercial Banking £m	Private Banking £m	
	UK Corporate £m	International Banking £m	Centre £m	Commercial Banking £m	Private Banking £m	
Net interest income	476	1	11	488	170	658
Non-interest income	287	2	(7)	282	103	385
<b>Total income</b>	<b>763</b>	<b>3</b>	<b>4</b>	<b>770</b>	<b>273</b>	<b>1,043</b>
Direct expenses						
- staff	(133)	-	-	(133)	(80)	(213)
- other	(63)	-	-	(63)	(18)	(81)
Indirect expenses	(212)	-	-	(212)	(101)	(313)
Restructuring costs						
- indirect	(1)	-	-	(1)	-	(1)
<b>Total expenses</b>	<b>(409)</b>	<b>-</b>	<b>-</b>	<b>(409)</b>	<b>(199)</b>	<b>(608)</b>
Operating profit before impairment losses	354	3	4	361	74	435
Impairment (losses)/recoveries	(40)	-	-	(40)	1	(39)
<b>Operating profit</b>	<b>314</b>	<b>3</b>	<b>4</b>	<b>321</b>	<b>75</b>	<b>396</b>
Memo: operating profit - adjusted (1)	315	3	4	322	75	397
<b>Key metrics</b>						
Return on equity (2)	12.4%	28.7%	-	12.6%	15.3%	13.1%
Return on equity - adjusted (1,2)	12.5%	28.7%	-	12.7%	15.3%	13.1%
Net interest margin	2.79%	2.33%	2.91%	2.68%	3.70%	2.89%
Cost:income ratio	54%	-	-	53%	73%	58%
Cost:income ratio - adjusted (1)	53%	-	-	53%	73%	58%
Loan impairment charge as % of gross customer loans and advances	0.2%	-	-	0.2%	-	0.2%

Capital and balance sheet	31 March 2014					Total CPB £bn
	Allocated from			Commercial	Private	
	UK Corporate £bn	International Banking £bn	Centre £bn	Banking £bn	Banking £bn	
Loans and advances to customers (gross)	81.1	0.3	4.8	86.2	16.8	103.0
Loan impairment provisions	(1.3)	-	-	(1.3)	(0.1)	(1.4)
Net loans and advances to customers	79.8	0.3	4.8	84.9	16.7	101.6
Total funded assets	84.5	0.3	4.8	89.6	21.1	110.7
Risk elements in lending	3.4	-	-	3.4	0.3	3.7
Customer deposits (excluding repos)	87.5	0.1	-	87.6	36.6	124.2
Loan:deposit ratio (excluding repos)	91%	300%	-	97%	45%	82%
Provision coverage (3)	38%	-	-	37%	45%	38%
Risk-weighted assets	62.8	0.2	0.5	63.5	12.0	75.5

Notes:

- (1) Excluding restructuring costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAe).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Commercial & Private Banking

Income statement	Year ended 31 December 2013					Total CPB £m
	Allocated from			Commercial Banking £m	Private Banking £m	
	UK Corporate £m	International Banking £m	Centre £m	Commercial Banking £m	Private Banking £m	
Net interest income	1,934	9	19	1,962	658	2,620
Non-interest income	1,195	7	(7)	1,195	419	1,614
Total income	3,129	16	12	3,157	1,077	4,234
Direct expenses						
- staff	(514)	(1)	-	(515)	(318)	(833)
- other	(272)	-	-	(272)	(83)	(355)
Indirect expenses	(886)	-	-	(886)	(475)	(1,361)
Restructuring costs						
- direct	(18)	-	-	(18)	(18)	(36)
- indirect	(37)	-	-	(37)	(9)	(46)
Litigation and conduct costs	(247)	-	-	(247)	(206)	(453)
Total expenses	(1,974)	(1)	-	(1,975)	(1,109)	(3,084)
Operating profit/(loss) before impairment losses	1,155	15	12	1,182	(32)	1,150
Impairment losses	(652)	-	-	(652)	(29)	(681)
Operating profit/(loss)	503	15	12	530	(61)	469
Memo: operating profit - adjusted (1)	805	15	12	832	172	1,004
Impairments pertaining to the creation of RCR	(123)	-	-	(123)	-	(123)
Key metrics						
Return on equity (2)	4.7%	49.3%	-	4.9%	(3.1%)	3.7%
Return on equity - adjusted (1,2)	7.5%	49.3%	-	7.7%	8.7%	7.9%
Net interest margin	2.73%	3.15%	0.62%	2.64%	3.47%	2.81%
Cost:income ratio	63%	6%	-	63%	103%	73%
Cost:income ratio - adjusted (1)	53%	6%	-	53%	81%	60%
Loan impairment charge as % of gross customer loans and advances	0.8%	-	-	0.8%	0.2%	0.7%

Capital and balance sheet	31 December 2013					Total CPB £bn
	Allocated from			Commercial	Private	
	UK Corporate £bn	International Banking £bn	Centre £bn	Banking £bn	Banking £bn	
Loans and advances to customers (gross)	79.9	0.3	4.8	85.0	16.8	101.8
Loan impairment provisions	(1.5)	-	-	(1.5)	(0.1)	(1.6)
Net loans and advances to customers	78.4	0.3	4.8	83.5	16.7	100.2
Total funded assets	82.8	0.3	4.8	87.9	21.0	108.9
Risk elements in lending	4.3	-	-	4.3	0.3	4.6
Customer deposits (excluding repos)	90.7	-	-	90.7	37.2	127.9
Loan:deposit ratio (excluding repos)	86%	-	-	92%	45%	78%
Provision coverage (3)	35%	-	-	38%	43%	38%
Risk-weighted assets	65.1	0.3	0.4	65.8	12.0	77.8

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAe).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Commercial & Private Banking

Income statement	Allocated from					Half year ended 30 June 2013	
	UK Corporate £m	International Banking £m		Centre £m	Commercial Banking £m	Private Banking £m	Total CPB £m
		International Banking £m	Centre £m				
Net interest income	925	4	7	936	317		1,253
Non-interest income	611	4	(2)	613	214		827
Total income	1,536	8	5	1,549	531		2,080
Direct expenses							
- staff	(254)	-	-	(254)	(173)		(427)
- other	(145)	-	-	(145)	(30)		(175)
Indirect expenses	(401)	-	-	(401)	(228)		(629)
Restructuring costs							
- direct	(14)	-	-	(14)	(1)		(15)
- indirect	(15)	-	-	(15)	(4)		(19)
Litigation and conduct costs	(25)	-	-	(25)	-		(25)
Total expenses	(854)	-	-	(854)	(436)		(1,290)
Operating profit before impairment losses	682	8	5	695	95		790
Impairment losses	(282)	-	-	(282)	(7)		(289)
Operating profit	400	8	5	413	88		501
Memo: operating profit - adjusted (1)	454	8	5	467	93		560
<b>Key metrics</b>							
Return on equity (2)	7.4%	53.9%	-	7.6%	8.9%		7.8%
Return on equity - adjusted (1,2)	8.4%	53.9%	-	8.6%	9.4%		8.7%
Net interest margin	2.61%	3.18%	0.49%	2.53%	3.33%		2.69%
Cost:income ratio	56%	-	-	55%	82%		62%
Cost:income ratio - adjusted (1)	52%	-	-	52%	81%		59%
Loan impairment charge as % of gross customer loans and advances	0.7%	-	-	0.7%	0.1%		0.6%

Capital and balance sheet	Allocated from					30 June 2013	
	UK Corporate £bn	International Banking £bn		Centre £bn	Commercial Banking £bn	Private Banking £bn	Total CPB £bn
		International Banking £bn	Centre £bn				
Loans and advances to customers (gross)	80.9	0.3	4.6	85.8	17.1		102.9
Loan impairment provisions	(1.5)	-	-	(1.5)	(0.1)		(1.6)
Net loans and advances to customers	79.4	0.3	4.6	84.3	17.0		101.3
Total funded assets	83.9	0.3	4.6	88.8	21.3		110.1
Risk elements in lending	4.4	-	-	4.4	0.3		4.7
Customer deposits (excluding repos)	91.0	-	-	91.0	38.9		129.9
Loan:deposit ratio (excluding repos)	87%	-	-	93%	44%		78%
Provision coverage (3)	34%	-	-	35%	39%		35%
Risk-weighted assets	66.7	0.2	0.3	67.2	12.5		79.7

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAe).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Commercial & Private Banking

Income statement	Quarter ended 30 June 2013					Total CPB £m
	Allocated from			Commercial Banking £m	Private Banking £m	
	UK Corporate £m	International Banking £m	Centre £m	Commercial Banking £m	Private Banking £m	
Net interest income	479	2	3	484	159	643
Non-interest income	323	2	-	325	110	435
Total income	802	4	3	809	269	1,078
Direct expenses						
- staff	(127)	-	-	(127)	(88)	(215)
- other	(77)	-	-	(77)	(17)	(94)
Indirect expenses	(205)	-	-	(205)	(112)	(317)
Restructuring costs						
- direct	(7)	-	-	(7)	(1)	(8)
- indirect	(9)	-	-	(9)	(2)	(11)
Total expenses	(425)	-	-	(425)	(220)	(645)
Operating profit before impairment losses	377	4	3	384	49	433
Impairment losses	(155)	-	-	(155)	(2)	(157)
Operating profit	222	4	3	229	47	276
Memo: operating profit - adjusted (1)	238	4	3	245	50	295
Key metrics						
Return on equity (2)	8.3%	52.4%	-	8.5%	9.4%	8.6%
Return on equity - adjusted (1,2)	8.9%	52.4%	-	9.1%	10.0%	9.2%
Net interest margin	2.71%	3.15%	1.35%	2.63%	3.34%	2.77%
Cost:income ratio	53%	-	-	53%	82%	60%
Cost:income ratio - adjusted (1)	51%	-	-	51%	81%	58%
Loan impairment charge as % of gross customer loans and advances	0.8%	-	-	0.7%	-	0.6%

Capital and balance sheet	30 June 2013					Total CPB £bn
	Allocated from			Commercial	Private	
	UK Corporate £bn	International Banking £bn	Centre £bn	Banking £bn	Banking £bn	
Loans and advances to customers (gross)	80.9	0.3	4.6	85.8	17.1	102.9
Loan impairment provisions	(1.5)	-	-	(1.5)	(0.1)	(1.6)
Net loans and advances to customers	79.4	0.3	4.6	84.3	17.0	101.3
Total funded assets	83.9	0.3	4.6	88.8	21.3	110.1
Risk elements in lending	4.4	-	-	4.4	0.3	4.7
Customer deposits (excluding repos)	91.0	-	-	91.0	38.9	129.9
Loan:deposit ratio (excluding repos)	87%	-	-	93%	44%	78%
Provision coverage (3)	34%	-	-	35%	39%	35%
Risk-weighted assets	66.7	0.2	0.3	67.2	12.5	79.7

Notes:

- (1) Excluding restructuring costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Corporate & Institutional Banking

Income statement	Quarter ended 31 March 2014			
	Allocated from			
	UK Corporate £m	International Banking £m	Markets £m	Total £m
Net interest income	23	155	1	179
Non-interest income	17	246	909	1,172
Total income	40	401	910	1,351
Direct expenses				
- staff	(5)	(62)	(205)	(272)
- other	(5)	(18)	(90)	(113)
Indirect expenses	(5)	(242)	(341)	(588)
Restructuring costs				
- direct	-	(1)	(14)	(15)
- indirect	-	7	(31)	(24)
Total expenses	(15)	(316)	(681)	(1,012)
Operating profit before impairment losses	25	85	229	339
Impairment recoveries/(losses)	6	(10)	(2)	(6)
Operating profit	31	75	227	333
Memo: operating profit - adjusted (1)	31	69	272	372
<b>Key metrics</b>				
Return on equity (2)	11.8%	4.2%	6.0%	5.6%
Return on equity - adjusted (1,2)	11.8%	3.9%	7.2%	6.2%
Net interest margin	1.20%	1.35%	0.01%	0.85%
Cost:income ratio	38%	79%	75%	75%
Cost:income ratio - adjusted (1)	38%	80%	70%	72%
Loan impairment charge as % of gross customer loans and advances	(0.3%)	0.1%	-	-

Capital and balance sheet	31 March 2014			
	Allocated from			
	UK Corporate £bn	International Banking £bn	Markets £bn	Total £bn
Loans and advances to customers (gross)	7.5	38.3	24.9	70.7
Loan impairment provisions	-	(0.1)	(0.1)	(0.2)
Net loans and advances to customers	7.5	38.2	24.8	70.5
Total funded assets	7.8	50.6	228.2	286.6
Risk elements in lending	-	-	0.1	0.1
Customer deposits (excluding repos)	3.9	33.6	19.6	57.1
Loan:deposit ratio (excluding repos)	192%	114%	127%	123%
Provision coverage (3)	-	-	80%	199%
Risk-weighted assets	5.9	46.9	87.4	140.2

Notes:

- (1) Excluding restructuring costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAe).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Corporate & Institutional Banking

Income statement	Year ended 31 December 2013			
	Allocated from			
	UK Corporate £m	International Banking £m	Markets £m	Total £m
Net interest income	124	660	(100)	684
Non-interest income	33	1,128	3,163	4,324
Total income	157	1,788	3,063	5,008
Direct expenses				
- staff	(16)	(313)	(655)	(984)
- other	(2)	(92)	(596)	(690)
Indirect expenses	(23)	(979)	(1,891)	(2,893)
Restructuring costs				
- direct	-	(11)	(74)	(85)
- indirect	(1)	(98)	(18)	(117)
Litigation and conduct costs	-	-	(2,441)	(2,441)
Total expenses	(42)	(1,493)	(5,675)	(7,210)
Operating profit/(loss) before impairment losses	115	295	(2,612)	(2,202)
Impairment losses	(359)	(229)	(92)	(680)
Operating (loss)/profit	(244)	66	(2,704)	(2,882)
Memo: operating (loss)/profit - adjusted (1)	(243)	175	(171)	(239)
Impairments pertaining to the creation of RCR	(285)	(52)	(18)	(355)
<b>Key metrics</b>				
Return on equity (2)	(24.7%)	1.1%	(19.9%)	(12.9%)
Return on equity - adjusted (1,2)	(24.6%)	2.5%	(1.3%)	(1.1%)
Net interest margin	1.52%	1.48%	(0.31%)	0.80%
Cost:income ratio	27%	84%	185%	144%
Cost:income ratio - adjusted (1)	26%	77%	103%	91%
Loan impairment charge as % of gross customer loans and advances	4.5%	0.6%	0.4%	1.0%

Capital and balance sheet	31 December 2013			
	Allocated from			
	UK Corporate £bn	International Banking £bn	Markets £bn	Total £bn
Loans and advances to customers (gross)	8.0	35.7	25.4	69.1
Loan impairment provisions	(0.4)	(0.3)	(0.2)	(0.9)
Net loans and advances to customers	7.6	35.4	25.2	68.2
Total funded assets	7.6	48.2	212.8	268.6
Risk elements in lending	0.8	0.5	0.3	1.6
Customer deposits (excluding repos)	4.0	39.3	21.5	64.8
Loan:deposit ratio (excluding repos)	190%	90%	117%	105%
Provision coverage (3)	50%	60%	85%	59%
Risk-weighted assets	7.2	48.7	64.5	120.4

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Corporate & Institutional Banking

Income statement	Half year ended 30 June 2013			
	Allocated from			
	UK Corporate £m	International Banking £m	Markets £m	Total £m
Net interest income	59	350	(95)	314
Non-interest income	16	572	1,806	2,394
Total income	75	922	1,711	2,708
Direct expenses				
- staff	(8)	(164)	(408)	(580)
- other	(1)	(39)	(244)	(284)
Indirect expenses	(11)	(462)	(852)	(1,325)
Restructuring costs				
- direct	-	(4)	(33)	(37)
- indirect	-	(37)	(9)	(46)
Litigation and conduct costs	-	-	(410)	(410)
Total expenses	(20)	(706)	(1,956)	(2,682)
Operating profit/(loss) before impairment losses	55	216	(245)	26
Impairment losses	(10)	(154)	(59)	(223)
Operating profit/(loss)	45	62	(304)	(197)
Memo: operating profit - adjusted (1)	45	103	148	296
<b>Key metrics</b>				
Return on equity (2)	11.5%	1.9%	(4.0%)	(1.6%)
Return on equity - adjusted (1,2)	11.5%	2.9%	2.0%	2.5%
Net interest margin	1.45%	1.58%	(0.55%)	0.72%
Cost:income ratio	27%	77%	114%	99%
Cost:income ratio - adjusted (1)	27%	72%	88%	81%
Loan impairment charge as % of gross customer loans and advances	0.2%	0.8%	0.4%	0.6%

Capital and balance sheet	30 June 2013			
	Allocated from			
	UK Corporate £bn	International Banking £bn	Markets £bn	Total £bn
Loans and advances to customers (gross)	8.5	40.3	28.2	77.0
Loan impairment provisions	-	(0.4)	(0.2)	(0.6)
Net loans and advances to customers	8.5	39.9	28.0	76.4
Total funded assets	8.6	51.6	267.9	328.1
Risk elements in lending	0.7	0.5	0.3	1.5
Customer deposits (excluding repos)	6.9	46.0	26.4	79.3
Loan:deposit ratio (excluding repos)	123%	87%	106%	96%
Provision coverage (3)	-	75%	78%	45%
Risk-weighted assets	7.0	49.5	86.8	143.3

Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Corporate & Institutional Banking

Income statement	Quarter ended 30 June 2013			
	Allocated from			
	UK Corporate £m	International Banking £m	Markets £m	Total £m
Net interest income	29	170	(57)	142
Non-interest income	9	289	796	1,094
<b>Total income</b>	<b>38</b>	<b>459</b>	<b>739</b>	<b>1,236</b>
Direct expenses				
- staff	(4)	(81)	(162)	(247)
- other	-	(18)	(136)	(154)
Indirect expenses	(6)	(230)	(421)	(657)
Restructuring costs				
- direct	-	(2)	(22)	(24)
- indirect	-	(22)	2	(20)
Litigation and conduct costs	-	-	(385)	(385)
<b>Total expenses</b>	<b>(10)</b>	<b>(353)</b>	<b>(1,124)</b>	<b>(1,487)</b>
Operating profit/(loss) before impairment losses	28	106	(385)	(251)
Impairment losses	(2)	(99)	(43)	(144)
<b>Operating profit/(loss)</b>	<b>26</b>	<b>7</b>	<b>(428)</b>	<b>(395)</b>
Memo: operating profit/(loss) - adjusted (1)	26	31	(23)	34
<b>Key metrics</b>				
Return on equity (2)	12.8%	0.7%	(11.9%)	(6.8%)
Return on equity - adjusted (1,2)	12.8%	1.9%	(0.7%)	0.6%
Net interest margin	1.45%	1.56%	(0.69%)	0.67%
Cost:income ratio	26%	77%	152%	120%
Cost:income ratio - adjusted (1)	26%	72%	97%	86%
Loan impairment charge as % of gross customer loans and advances	0.1%	1.0%	0.6%	0.7%

Capital and balance sheet	30 June 2013			
	Allocated from			
	UK Corporate £bn	International Banking £bn	Markets £bn	Total £bn
Loans and advances to customers (gross)	8.5	40.3	28.2	77.0
Loan impairment provisions	-	(0.4)	(0.2)	(0.6)
Net loans and advances to customers	8.5	39.9	28.0	76.4
Total funded assets	8.6	51.6	267.9	328.1
Risk elements in lending	0.7	0.5	0.3	1.5
Customer deposits (excluding repos)	6.9	46.0	26.4	79.3
Loan:deposit ratio (excluding repos)	123%	87%	106%	96%
Provision coverage (3)	-	75%	78%	45%
Risk-weighted assets	7.0	49.5	86.8	143.3

### Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Return on equity is based on divisional operating profit after tax divided by average notional equity (based on 12% of the monthly average of divisional RWAs; previously - 10% of RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Central items

	Quarter ended 31 March 2014				Total (1) £m	
	Previously reported £m	Net impact of revised Treasury allocations £m	Allocated to CPB £m	Unallocated cost allocations £m		
	Central items not allocated	(76)	154	(4)	(69)	5
<b>Year ended 31 December 2013</b>						
	Previously reported £m	Net impact of revised Treasury allocations £m	Allocated to CPB £m	Unallocated cost allocations £m	Total (1) £m	
	Central items not allocated	(89)	660	(12)	88	647
	Central items not allocated	104	385	(5)	69	553
<b>Half year ended 30 June 2013</b>						
	Previously reported £m	Net impact of revised Treasury allocations £m	Allocated to CPB £m	Unallocated cost allocations £m	Total (1) £m	
	Central items not allocated	140	173	(3)	42	352
	Central items not allocated	140	173	(3)	42	352

### Note:

(1) Central items includes unallocated costs which principally comprise profits on the sale of the Treasury AFS portfolio (quarter ended 31 March 2014 - £203 million, year ended 31 December 2013 - £724 million, half year ended 30 June 2013 - £460 million and quarter ended 30 June 2013 - £105 million) and profit and loss on hedges which do not qualify for hedge accounting..

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## Appendix 3

# Allocation of previous divisions to new customer franchises

## **Allocation of previous divisions to new customer franchises**

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The tables in this appendix summarise the performance of the previously reported divisions, as adjusted for the reporting changes outlined on page 2, and show how these divisions have been allocated to the new reportable segments.

## UK Retail

	Quarter ended 31 March 2014						
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items	Allocated to UK PBB	
						£m	£m
<b>Income statement</b>							
Net interest income	994	-	-	(22)	-		972
Non-interest income	246	-	-	-	-		246
<b>Total income</b>	<b>1,240</b>	<b>-</b>	<b>-</b>	<b>(22)</b>	<b>-</b>		<b>1,218</b>
Direct expenses							
- staff	(165)	5	6	-	(8)		(162)
- other	(148)	27	1	-	-		(120)
Indirect expenses	(335)	(36)	(66)	-	-		(437)
Restructuring costs							
- indirect	-	-	-	-	11		11
<b>Total expenses</b>	<b>(648)</b>	<b>(4)</b>	<b>(59)</b>	<b>-</b>	<b>3</b>		<b>(708)</b>
Operating profit before impairment losses	592	(4)	(59)	(22)	3		510
Impairment losses	(59)	-	-	-	-		(59)
<b>Operating profit</b>	<b>533</b>	<b>(4)</b>	<b>(59)</b>	<b>(22)</b>	<b>3</b>		<b>451</b>
Memo: operating profit - adjusted (1)							440
<b>Key metrics</b>							
Net interest margin	3.59%						3.51%
Cost:income ratio	52%						58%
Cost:income ratio - adjusted (1)	n/a						59%

	31 March 2014		
	Previously reported	Adjustments	Allocated to UK PBB
	£bn	£bn	£bn
<b>Capital and balance sheet</b>			
Loans and advances to customers (gross)	113.8		113.8
Loan impairment provisions	(1.9)		(1.9)
Net loans and advances to customers	111.9		111.9
Funded assets	118.4		118.4
Risk elements in lending	3.3		3.3
Customer deposits (excluding repos)	114.8		114.8
Loan:deposit ratio (excluding repos)	98%		98%
Provision coverage (2)	58%		58%
Risk-weighted assets (3)	43.9	(7.1)	36.8

Notes:

- (1) Excluding restructuring costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.
- (3) RWAs include an adjustment from long-term conservative average secured mortgage probability of default methodology to the lower point-in-time basis required for regulatory reporting.

## UK Retail

	Year ended 31 December 2013					
	Previously reported	Transfer to/(from)	Transfer to/(from)	Net impact of revised Treasury allocations	Reclassification of one-off and other items	Allocated to UK PBB
		Functions	Services	£m	£m	£m
<b>Income statement</b>						
Net interest income	3,979	-	-	(96)	-	3,883
Non-interest income	958	-	-	-	-	958
<b>Total income</b>	<b>4,937</b>	-	-	(96)	-	<b>4,841</b>
Direct expenses						
- staff	(684)	24	22	-	(36)	(674)
- other	(560)	117	1	-	-	(442)
<b>Indirect expenses</b>	<b>(1,426)</b>	<b>(177)</b>	<b>(34)</b>	-	-	<b>(1,637)</b>
Restructuring costs						
- direct	-	-	-	-	(118)	(118)
- indirect	-	-	-	-	(94)	(94)
<b>Litigation and conduct costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	(860)	<b>(860)</b>
<b>Total expenses</b>	<b>(2,670)</b>	<b>(36)</b>	<b>(11)</b>	-	(1,108)	<b>(3,825)</b>
Operating profit before impairment losses	2,267	(36)	(11)	(96)	(1,108)	1,016
Impairment losses	(324)	-	-	-	-	(324)
<b>Operating profit</b>	<b>1,943</b>	<b>(36)</b>	<b>(11)</b>	<b>(96)</b>	<b>(1,108)</b>	<b>692</b>
Memo: operating profit - adjusted (1)						1,764
<b>Key metrics</b>						
Net interest margin	3.57%					3.48%
Cost:income ratio	54%					79%
Cost:income ratio - adjusted (1)	n/a					57%

	31 December 2013		
	Previously reported	Adjustments	Allocated to UK PBB
		£bn	£bn
<b>Capital and balance sheet</b>			
Loans and advances to customers (gross)	113.2		113.2
Loan impairment provisions	(2.1)		(2.1)
Net loans and advances to customers	111.1		111.1
Funded assets	117.6		117.6
Risk elements in lending	3.6		3.6
Customer deposits (excluding repos)	114.9		114.9
Loan:deposit ratio (excluding repos)	97%		97%
Provision coverage (2)	59%		59%
Risk-weighted assets (3)	43.9	(6.5)	37.4

### Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.
- (3) RWAs include an adjustment from long-term conservative average secured mortgage probability of default methodology to the lower point-in-time basis required for regulatory reporting.

## UK Retail

	Half year ended 30 June 2013						Allocated to UK PBB £m	
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m			
<b>Income statement</b>								
Net interest income	1,952	-	-	(55)	-		1,897	
Non-interest income	451	-	-	-	-		451	
<b>Total income</b>	<b>2,403</b>	<b>-</b>	<b>-</b>	<b>(55)</b>	<b>-</b>		<b>2,348</b>	
Direct expenses								
- staff	(347)	14	12	-	(18)		(339)	
- other	(224)	52	1	-	-		(171)	
Indirect expenses	(709)	(75)	(18)	-	-		(802)	
Restructuring costs								
- direct	-	-	-	-	(70)		(70)	
- indirect	-	-	-	-	(34)		(34)	
Litigation and conduct costs	-	-	-	-	(160)		(160)	
<b>Total expenses</b>	<b>(1,280)</b>	<b>(9)</b>	<b>(5)</b>	<b>-</b>	<b>(282)</b>		<b>(1,576)</b>	
Operating profit before impairment losses	1,123	(9)	(5)	(55)	(282)		772	
Impairment losses	(169)	-	-	-	-		(169)	
<b>Operating profit</b>	<b>954</b>	<b>(9)</b>	<b>(5)</b>	<b>(55)</b>	<b>(282)</b>		<b>603</b>	
Memo: operating profit - adjusted (1)							867	
<b>Key metrics</b>								
Net interest margin	3.53%						3.42%	
Cost:income ratio	53%						67%	
Cost:income ratio - adjusted (1)	n/a						56%	

	30 June 2013		
	Previously reported £bn	Adjustments £bn	Allocated to UK PBB £bn
<b>Capital and balance sheet</b>			
Loans and advances to customers (gross)	112.2		112.2
Loan impairment provisions	(2.5)		(2.5)
Net loans and advances to customers	109.7		109.7
Funded assets	116.1		116.1
Risk elements in lending	4.3		4.3
Customer deposits (excluding repos)	111.6		111.6
Loan:deposit ratio (excluding repos)	98%		98%
Provision coverage (2)	58%		58%
Risk-weighted assets (3)	44.1	(6.1)	38.0

### Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.
- (3) RWAs include an adjustment from long-term conservative average secured mortgage probability of default methodology to the lower point-in-time basis required for regulatory reporting.

## UK Retail

	Quarter ended 30 June 2013					
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items	Allocated to UK PBB
						£m
<b>Income statement</b>						
Net interest income	987	-	-	(22)	-	965
Non-interest income	225	-	-	-	-	225
<b>Total income</b>	<b>1,212</b>	<b>-</b>	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>1,190</b>
Direct expenses						
- staff	(175)	7	6	-	(9)	(171)
- other	(112)	28	1	-	-	(83)
Indirect expenses	(359)	(41)	(9)	-	-	(409)
Restructuring costs						
- direct	-	-	-	-	(47)	(47)
- indirect	-	-	-	-	(19)	(19)
Litigation and conduct costs	-	-	-	-	(160)	(160)
<b>Total expenses</b>	<b>(646)</b>	<b>(6)</b>	<b>(2)</b>	<b>-</b>	<b>(235)</b>	<b>(889)</b>
Operating profit before impairment losses	566	(6)	(2)	(22)	(235)	301
Impairment losses	(89)	-	-	-	-	(89)
<b>Operating profit</b>	<b>477</b>	<b>(6)</b>	<b>(2)</b>	<b>(22)</b>	<b>(235)</b>	<b>212</b>
Memo: operating profit - adjusted (1)						438
<b>Key metrics</b>						
Net interest margin	3.56%					3.48%
Cost:income ratio	53%					75%
Cost:income ratio - adjusted (1)	n/a					56%

	30 June 2013		
	Previously reported	Adjustments	Allocated to UK PBB
			£bn
<b>Capital and balance sheet</b>			
Loans and advances to customers (gross)	112.2		112.2
Loan impairment provisions	(2.5)		(2.5)
Net loans and advances to customers	109.7		109.7
Funded assets	116.1		116.1
Risk elements in lending	4.3		4.3
Customer deposits (excluding repos)	111.6		111.6
Loan:deposit ratio (excluding repos)	98%		98%
Provision coverage (2)	58%		58%
Risk-weighted assets (3)	44.1	(6.1)	38.0

### Notes:

- (1) Excluding restructuring costs and litigation and conduct costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.
- (3) RWAs include an adjustment from long-term conservative average secured mortgage probability of default methodology to the lower point-in-time basis required for regulatory reporting.

## UK Corporate

Income statement	Quarter ended 31 March 2014							
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	of revised Treasury allocations	Reclassification of one-off and other items	Allocated to		
						UK PBB £m	Commercial Banking £m	CIB £m
Net interest income	706	-	-	(55)	-	152	476	23
Non-interest income	397	-	-	-	-	93	287	17
Total income	1,103	-	-	(55)	-	245	763	40
Direct expenses								
- staff	(221)	8	20	-	(8)	(63)	(133)	(5)
- other	(93)	5	10	-	-	(10)	(63)	(5)
Indirect expenses	(235)	(17)	(48)	-	-	(83)	(212)	(5)
Restructuring costs								
- indirect	-	-	-	-	(2)	(1)	(1)	-
Total expenses	(549)	(4)	(18)	-	(10)	(157)	(409)	(15)
Operating profit before impairment losses	554	(4)	(18)	(55)	(10)	88	354	25
Impairment (losses)/recoveries	(63)	-	-	-	-	(29)	(40)	6
Operating profit	491	(4)	(18)	(55)	(10)	59	314	31
Memo: operating profit								
- adjusted (1)						60	315	31
<b>Key metrics</b>								
Net interest margin	3.13%					4.34%	2.79%	1.20%
Cost:income ratio	50%					64%	54%	38%
Cost:income ratio - adjusted (1)	n/a					64%	53%	38%

Capital and balance sheet	31 March 2014			
	Previously reported	Allocated to		
		UK PBB £bn	Commercial Banking £bn	CIB £bn
Loans and advances to customers (gross)	103.2	14.6	81.1	7.5
Loan impairment provisions	(2.3)	(1.0)	(1.3)	-
Net loans and advances to customers	100.9	13.6	79.8	7.5
Funded assets	106.7	14.4	84.5	7.8
Risk elements in lending	4.6	1.2	3.4	-
Customer deposits (excluding repos)	121.2	29.8	87.5	3.9
Loan:deposit ratio (excluding repos)	83%	46%	91%	192%
Provision coverage (2)	49%	85%	38%	-
Risk-weighted assets	80.4	11.7	62.8	5.9

Notes:

(1) Excluding restructuring costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## UK Corporate

Income statement	Year ended 31 December 2013							
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Treasury allocations	of revised one-off and other items	Allocated to		
						£m	£m	£m
Net interest income	2,874	-	-	(209)	-	607	1,934	124
Non-interest income	1,593	-	-	-	-	365	1,195	33
<b>Total income</b>	<b>4,467</b>	<b>-</b>	<b>-</b>	<b>(209)</b>	<b>-</b>	<b>972</b>	<b>3,129</b>	<b>157</b>
Direct expenses								
- staff	(865)	30	82	-	(36)	(259)	(514)	(16)
- other	(437)	27	54	-	-	(82)	(272)	(2)
Indirect expenses	(917)	(166)	(138)	-	-	(312)	(886)	(23)
Restructuring costs								
- direct	-	-	-	-	(18)	-	(18)	-
- indirect	-	-	-	-	(53)	(15)	(37)	(1)
Litigation and conduct costs	-	-	-	-	(247)	-	(247)	-
<b>Total expenses</b>	<b>(2,219)</b>	<b>(109)</b>	<b>(2)</b>	<b>-</b>	<b>(354)</b>	<b>(668)</b>	<b>(1,974)</b>	<b>(42)</b>
Operating profit before impairment losses	2,248	(109)	(2)	(209)	(354)	304	1,155	115
Impairment losses	(1,188)	-	-	-	-	(177)	(652)	(359)
<b>Operating profit/(loss)</b>	<b>1,060</b>	<b>(109)</b>	<b>(2)</b>	<b>(209)</b>	<b>(354)</b>	<b>127</b>	<b>503</b>	<b>(244)</b>
Memo: operating profit/(loss)								
- adjusted (1)						142	805	(243)
<b>Key metrics</b>								
Net interest margin	3.07%					4.14%	2.73%	1.52%
Cost:income ratio	50%					69%	63%	27%
Cost:income ratio - adjusted (1)	n/a					67%	53%	26%
31 December 2013								
<b>Capital and balance sheet</b>	Previously reported	Allocated to						
		£bn	UK PBB £bn	Commercial Banking £bn	CIB £bn			
Loans and advances to customers (gross)	102.5		14.6	79.9	8.0			
Loan impairment provisions	(2.8)		(0.9)	(1.5)	(0.4)			
Net loans and advances to customers	99.7		13.7	78.4	7.6			
Funded assets	105.0		14.6	82.8	7.6			
Risk elements in lending	6.2		1.1	4.3	0.8			
Customer deposits (excluding repos)	124.7		30.0	90.7	4.0			
Loan:deposit ratio (excluding repos)	80%		46%	86%	190%			
Provision coverage (2)	46%		76%	35%	50%			
Risk-weighted assets	86.1		13.8	65.1	7.2			

Notes:

(1) Excluding restructuring costs and litigation and conduct costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## UK Corporate

Income statement	Half year ended 30 June 2013							
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Treasury allocations	of revised one-off and other items	Allocated to		
						£m	£m	£m
Net interest income	1,421	-	-	(134)	-	303	925	59
Non-interest income	805	-	-	-	-	178	611	16
<b>Total income</b>	<b>2,226</b>	<b>-</b>	<b>-</b>	<b>(134)</b>	<b>-</b>	<b>481</b>	<b>1,536</b>	<b>75</b>
Direct expenses								
- staff	(431)	15	42	-	(18)	(130)	(254)	(8)
- other	(216)	13	28	-	-	(29)	(145)	(1)
Indirect expenses	(447)	(39)	(71)	-	-	(145)	(401)	(11)
Restructuring costs								
- direct	-	-	-	-	(14)	-	(14)	-
- indirect	-	-	-	-	(20)	(5)	(15)	-
Litigation and conduct costs	-	-	-	-	(25)	-	(25)	-
<b>Total expenses</b>	<b>(1,094)</b>	<b>(11)</b>	<b>(1)</b>	<b>-</b>	<b>(77)</b>	<b>(309)</b>	<b>(854)</b>	<b>(20)</b>
Operating profit before impairment losses	1,132	(11)	(1)	(134)	(77)	172	682	55
Impairment losses	(379)	-	-	-	-	(87)	(282)	(10)
<b>Operating profit</b>	<b>753</b>	<b>(11)</b>	<b>(1)</b>	<b>(134)</b>	<b>(77)</b>	<b>85</b>	<b>400</b>	<b>45</b>
Memo: operating profit								
- adjusted (1)						90	454	45
<b>Key metrics</b>								
Net interest margin	3.03%					4.10%	2.61%	1.45%
Cost:income ratio	49%					64%	56%	27%
Cost:income ratio - adjusted (1)	n/a					63%	52%	27%

Capital and balance sheet	30 June 2013			
	Previously reported	Allocated to		
		£bn	UK PBB £bn	Commercial Banking £bn
Loans and advances to customers (gross)	104.6		15.2	80.9
Loan impairment provisions	(2.4)		(0.9)	(1.5)
Net loans and advances to customers	102.2		14.3	79.4
Funded assets	107.6		15.1	83.9
Risk elements in lending	6.2		1.1	4.4
Customer deposits (excluding repos)	126.2		28.3	91.0
Loan:deposit ratio (excluding repos)	81%		51%	87%
Provision coverage (2)	39%		77%	34%
Risk-weighted assets	88.1		14.4	66.7

Notes:

(1) Excluding restructuring costs and litigation and conduct costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## UK Corporate

Income statement	Quarter ended 30 June 2013							Allocated to			
	Previously reported		Transfer Functions		Transfer Services		Net impact of revised Treasury allocations	Reclassification of one-off and other items	Allocated to		
	£m	£m	£m	£m	£m	£m	£m	£m	UK PBB £m	Commercial Banking £m	CIB £m
Net interest income	715	-	-	(54)	-	-	-	-	153	479	29
Non-interest income	427	-	-	-	-	-	-	-	95	323	9
<b>Total income</b>	<b>1,142</b>	<b>-</b>	<b>-</b>	<b>(54)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248</b>	<b>802</b>	<b>38</b>
Direct expenses											
- staff	(214)	7	21	-	-	(9)	-	(64)	(127)	(4)	
- other	(113)	9	14	-	-	-	-	(13)	(77)	-	
Indirect expenses	(226)	(23)	(37)	-	-	-	-	(75)	(205)	(6)	
Restructuring costs											
- direct	-	-	-	-	-	(7)	-	-	(7)	-	
- indirect	-	-	-	-	-	(12)	(3)	(9)	-	-	
<b>Total expenses</b>	<b>(553)</b>	<b>(7)</b>	<b>(2)</b>	<b>-</b>	<b>(28)</b>	<b>(28)</b>	<b>(155)</b>	<b>(425)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>
Operating profit before impairment losses	589	(7)	(2)	(54)	(28)	(28)	93	377	28		
Impairment losses	(194)	-	-	-	-	-	(37)	(155)	(2)		
<b>Operating profit</b>	<b>395</b>	<b>(7)</b>	<b>(2)</b>	<b>(54)</b>	<b>(28)</b>	<b>(28)</b>	<b>56</b>	<b>222</b>	<b>26</b>	<b>-</b>	<b>-</b>
Memo: operating profit											
- adjusted (1)							59	238	26		
<b>Key metrics</b>											
Net interest margin	3.05%						4.13%	2.71%	1.45%		
Cost:income ratio	48%						63%	53%	26%		
Cost:income ratio - adjusted (1)	n/a						61%	51%	26%		

Capital and balance sheet	30 June 2013			
	Previously reported	Allocated to		
		£bn	UK PBB £bn	Commercial Banking £bn
Loans and advances to customers (gross)	104.6	15.2	80.9	8.5
Loan impairment provisions	(2.4)	(0.9)	(1.5)	-
Net loans and advances to customers	102.2	14.3	79.4	8.5
Funded assets	107.6	15.1	83.9	8.6
Risk elements in lending	6.2	1.1	4.4	0.7
Customer deposits (excluding repos)	126.2	28.3	91.0	6.9
Loan:deposit ratio (excluding repos)	81%	51%	87%	123%
Provision coverage (2)	39%	77%	34%	-
Risk-weighted assets	88.1	14.4	66.7	7.0

Notes:

- (1) Excluding restructuring costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Wealth

	Quarter ended 31 March 2014						Revised Private Banking £m
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
		£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	171	-	-	(1)	-	-	170
Non-interest income	103	-	-	-	-	-	103
<b>Total income</b>	<b>274</b>	-	-	(1)	-	-	<b>273</b>
Direct expenses							
- staff	(94)	6	10	-	(2)	-	(80)
- other	(30)	6	6	-	-	-	(18)
<b>Indirect expenses</b>	<b>(73)</b>	<b>(10)</b>	<b>(18)</b>	-	-	-	<b>(101)</b>
<b>Total expenses</b>	<b>(197)</b>	<b>2</b>	<b>(2)</b>	-	(2)	-	<b>(199)</b>
Operating profit before impairment losses	77	2	(2)	(1)	(2)	-	74
Impairment recoveries	1	-	-	-	-	-	1
<b>Operating profit</b>	<b>78</b>	<b>2</b>	<b>(2)</b>	<b>(1)</b>	<b>(2)</b>	-	<b>75</b>
Memo: operating profit - adjusted							75
<b>Key metrics</b>							
Net interest margin	3.72%						3.70%
Cost:income ratio	72%						73%
Cost:income ratio - adjusted	n/a						73%

31 March 2014	Private Banking £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	16.8
Loan impairment provisions	(0.1)
Net loans and advances to customers	16.7
Funded assets	21.1
Risk elements in lending	0.3
Customer deposits (excluding repos)	36.6
Loan:deposit ratio (excluding repos)	45%
Provision coverage (1)	45%
Risk-weighted assets	12.0

Note:

(1) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Wealth

	Year ended 31 December 2013						Revised Private Banking £m	
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m	Revised Private Banking £m		
		£m	£m					
<b>Income statement</b>								
Net interest income	674	-	-	(16)	-	658		
Non-interest income	419	-	-	-	-	419		
<b>Total income</b>	<b>1,093</b>	-	-	(16)	-	<b>1,077</b>		
Direct expenses								
- staff	(384)	29	45	-	(8)	(318)		
- other	(122)	15	24	-	-	(83)		
Indirect expenses	(337)	(64)	(74)	-	-	(475)		
Restructuring costs								
- direct	-	-	-	-	(18)	(18)		
- indirect	-	-	-	-	(9)	(9)		
Litigation and conduct costs	-	-	-	-	(206)	(206)		
<b>Total expenses</b>	<b>(843)</b>	<b>(20)</b>	<b>(5)</b>	<b>-</b>	<b>(241)</b>	<b>(1,109)</b>		
Operating profit/(loss) before impairment losses	250	(20)	(5)	(16)	(241)	(32)		
Impairment losses	(29)	-	-	-	-	(29)		
<b>Operating profit/(loss)</b>	<b>221</b>	<b>(20)</b>	<b>(5)</b>	<b>(16)</b>	<b>(241)</b>	<b>(61)</b>		
Memo: operating profit - adjusted (1)						172		
<b>Key metrics</b>								
Net interest margin	3.56%					3.47%		
Cost:income ratio	77%					103%		
Cost:income ratio - adjusted (1)	n/a					81%		

31 December 2013	Private Banking £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	16.8
Loan impairment provisions	(0.1)
Net loans and advances to customers	16.7
Funded assets	21.0
Risk elements in lending	0.3
Customer deposits (excluding repos)	37.2
Loan:deposit ratio (excluding repos)	45%
Provision coverage (2)	43%
Risk-weighted assets	12.0

Notes:

(1) Excluding restructuring costs and litigation and conduct costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Wealth

	Half year ended 30 June 2013						Revised Private Banking £m	
	Previously reported	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m			
					£m			
<b>Income statement</b>								
Net interest income	331	-	-	(14)	-		317	
Non-interest income	214	-	-	-	-		214	
<b>Total income</b>	<b>545</b>	-	-	(14)	-		<b>531</b>	
Direct expenses								
- staff	(207)	15	23	-	(4)		(173)	
- other	(51)	9	12	-	-		(30)	
Indirect expenses	(168)	(24)	(36)	-	-		(228)	
Restructuring costs								
- direct	-	-	-	-	(1)		(1)	
- indirect	-	-	-	-	(4)		(4)	
<b>Total expenses</b>	<b>(426)</b>	-	(1)	-	(9)		<b>(436)</b>	
Operating profit before impairment losses	119	-	(1)	(14)	(9)		95	
Impairment losses	(7)	-	-	-	-		(7)	
<b>Operating profit</b>	<b>112</b>	-	(1)	(14)	(9)		<b>88</b>	
Memo: operating profit - adjusted (1)							93	
<b>Key metrics</b>								
Net interest margin	3.48%						3.33%	
Cost:income ratio	78%						82%	
Cost:income ratio - adjusted (1)	n/a						81%	

30 June 2013	Private Banking £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	17.1
Loan impairment provisions	(0.1)
Net loans and advances to customers	17.0
Funded assets	21.3
Risk elements in lending	0.3
Customer deposits (excluding repos)	38.9
Loan:deposit ratio (excluding repos)	44%
Provision coverage (2)	39%
Risk-weighted assets	12.5

Notes:

- (1) Excluding restructuring costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Wealth

	Quarter ended 30 June 2013						Revised Private Banking £m	
	Previously reported	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m			
					£m			
<b>Income statement</b>								
Net interest income	162	-	-	(3)	-		159	
Non-interest income	110	-	-	-	-		110	
<b>Total income</b>	<b>272</b>	-	-	(3)	-		<b>269</b>	
Direct expenses								
- staff	(104)	7	11	-	(2)		(88)	
- other	(28)	5	6	-	-		(17)	
Indirect expenses	(82)	(12)	(18)	-	-		(112)	
Restructuring costs								
- direct	-	-	-	-	(1)		(1)	
- indirect	-	-	-	-	(2)		(2)	
<b>Total expenses</b>	<b>(214)</b>	-	(1)	-	(5)		<b>(220)</b>	
Operating profit before impairment losses	58	-	(1)	(3)	(5)		49	
Impairment losses	(2)	-	-	-	-		(2)	
Operating profit	56	-	(1)	(3)	(5)		47	
Memo: operating profit - adjusted (1)							50	
<b>Key metrics</b>								
Net interest margin	3.41%						3.34%	
Cost:income ratio	79%						82%	
Cost:income ratio - adjusted (1)	n/a						81%	

30 June 2013	Private Banking £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	17.1
Loan impairment provisions	(0.1)
Net loans and advances to customers	17.0
Funded assets	21.3
Risk elements in lending	0.3
Customer deposits (excluding repos)	38.9
Loan:deposit ratio (excluding repos)	44%
Provision coverage (2)	39%
Risk-weighted assets	12.5

Notes:

(1) Excluding restructuring costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## International Banking

	Quarter ended 31 March 2014						
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Treasury allocations	Net impact of revised allocations	Allocated to	
						Reclassification of one-off and other items	Commercial Banking
						£m	£m
<b>Income statement</b>							
Net interest income	180	-	-	(24)	-	1	155
Non-interest income	248	-	-	-	-	2	246
<b>Total income</b>	<b>428</b>	-	-	(24)	-	<b>3</b>	<b>401</b>
Direct expenses							
- staff	(109)	15	32	-	-	-	(62)
- other	(35)	3	14	-	-	-	(18)
<b>Indirect expenses</b>	<b>(164)</b>	<b>(15)</b>	<b>(63)</b>	-	-	-	<b>(242)</b>
Restructuring costs							
- direct	-	-	-	-	(1)	-	(1)
- indirect	-	-	-	-	7	-	7
<b>Total expenses</b>	<b>(308)</b>	<b>3</b>	<b>(17)</b>	-	<b>6</b>	-	<b>(316)</b>
Operating profit before impairment losses	120	3	(17)	(24)	6	3	85
Impairment losses	(10)	-	-	-	-	-	(10)
<b>Operating profit</b>	<b>110</b>	<b>3</b>	<b>(17)</b>	<b>(24)</b>	<b>6</b>	<b>3</b>	<b>75</b>
Memo: operating profit - adjusted (1)						3	69
<b>Key metrics</b>							
Net interest margin	1.55%					2.33%	1.35%
Cost:income ratio	72%					-	79%
Cost:income ratio - adjusted (1)	n/a					-	80%

	31 March 2014		
	Previously reported	Allocated to	
		Commercial Banking	CIB
<b>Capital and balance sheet</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances to customers (gross)	38.6	0.3	38.3
Loan impairment provisions	(0.1)	-	(0.1)
Net loans and advances to customers	38.5	0.3	38.2
Funded assets	50.9	0.3	50.6
Customer deposits (excluding repos)	33.7	0.1	33.6
Loan:deposit ratio (excluding repos)	114%	300%	114%
Risk-weighted assets	47.1	0.2	46.9

Note:

(1) Excluding restructuring costs.

## International Banking

	Year ended 31 December 2013						
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Treasury allocations	of revised one-off and other items	Allocated to	
						Net impact	Commercial Banking
		£m	£m	£m	£m	£m	£m
<b>Income statement</b>							
Net interest income	713	-	-	(44)	-	9	660
Non-interest income	1,135	-	-	-	-	7	1,128
<b>Total income</b>	<b>1,848</b>	-	-	(44)	-	<b>16</b>	<b>1,788</b>
Direct expenses							
- staff	(496)	55	127	-	-	(1)	(313)
- other	(167)	7	68	-	-	-	(92)
<b>Indirect expenses</b>	<b>(677)</b>	<b>(103)</b>	<b>(199)</b>	-	-	-	<b>(979)</b>
Restructuring costs							
- direct	-	-	-	-	(11)	-	(11)
- indirect	-	-	-	-	(98)	-	(98)
<b>Total expenses</b>	<b>(1,340)</b>	<b>(41)</b>	<b>(4)</b>	-	<b>(109)</b>	<b>(1)</b>	<b>(1,493)</b>
Operating profit before impairment losses	508	(41)	(4)	(44)	(109)	15	295
Impairment losses	(229)	-	-	-	-	-	(229)
<b>Operating profit</b>	<b>279</b>	<b>(41)</b>	<b>(4)</b>	<b>(44)</b>	<b>(109)</b>	<b>15</b>	<b>66</b>
Memo: operating profit - adjusted (1)						15	175
<b>Key metrics</b>							
Net interest margin	1.59%					3.15%	1.48%
Cost:income ratio	73%					6%	84%
Cost:income ratio - adjusted (1)	n/a					6%	77%

	31 December 2013		
	Previously reported	Allocated to	
		Commercial Banking	CIB
<b>Capital and balance sheet</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances to customers (gross)	36.0	0.3	35.7
Loan impairment provisions	(0.3)	-	(0.3)
Net loans and advances to customers	35.7	0.3	35.4
Funded assets	48.5	0.3	48.2
Risk elements in lending	0.5	-	0.5
Customer deposits (excluding repos)	39.3	-	39.3
Loan:deposit ratio (excluding repos)	91%	-	90%
Provision coverage (2)	69%	-	69%
<b>Risk-weighted assets</b>	<b>49.0</b>	<b>0.3</b>	<b>48.7</b>

Notes:

(1) Excluding restructuring costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## International Banking

	Half year ended 30 June 2013							
	Previously reported	Transfer			of revised Treasury	Reclassification of one-off and other items	Allocated to	
		to/(from) Functions	to/(from) Services	Treasury allocations			Commercial Banking	CIB
		£m	£m	£m		£m	£m	£m
<b>Income statement</b>								
Net interest income	374	-	-	(20)	-	-	4	350
Non-interest income	576	-	-	-	-	-	4	572
<b>Total income</b>	<b>950</b>	-	-	(20)	-	-	<b>8</b>	<b>922</b>
Direct expenses								
- staff	(253)	28	61	-	-	-	-	(164)
- other	(70)	4	27	-	-	-	-	(39)
<b>Indirect expenses</b>	<b>(337)</b>	<b>(34)</b>	<b>(91)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(462)</b>
Restructuring costs								
- direct	-	-	-	-	(4)	-	-	(4)
- indirect	-	-	-	-	(37)	-	-	(37)
<b>Total expenses</b>	<b>(660)</b>	<b>(2)</b>	<b>(3)</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>-</b>	<b>(706)</b>
Operating profit before impairment losses	290	(2)	(3)	(20)	(41)	8	216	
Impairment losses	(154)	-	-	-	-	-	-	(154)
<b>Operating profit</b>	<b>136</b>	<b>(2)</b>	<b>(3)</b>	<b>(20)</b>	<b>(41)</b>	<b>8</b>	<b>62</b>	
Memo: operating profit - adjusted (1)						8	103	
<b>Key metrics</b>								
Net interest margin	1.68%					3.18%	1.58%	
Cost:income ratio	69%					-	77%	
Cost:income ratio - adjusted (1)	n/a					-	72%	

	30 June 2013		
	Previously reported	Allocated to	
		Commercial Banking	CIB
<b>Capital and balance sheet</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances to customers (gross)	40.6	0.3	40.3
Loan impairment provisions	(0.4)	-	(0.4)
Net loans and advances to customers	40.2	0.3	39.9
Funded assets	51.9	0.3	51.6
Risk elements in lending	0.5	-	0.5
Customer deposits (excluding repos)	46.0	-	46.0
Loan:deposit ratio (excluding repos)	87%	-	87%
Provision coverage (2)	75%	-	75%
Risk-weighted assets	49.7	0.2	49.5

Notes:

- (1) Excluding restructuring costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## International Banking

	Quarter ended 30 June 2013						
	Previously reported	Transfer			Treasury	Reclassification	Allocated to
		to/(from)	Functions	Services			Commercial Banking
		£m	£m	£m	£m	£m	£m
<b>Income statement</b>							
Net interest income	177	-	-	(5)	-	2	170
Non-interest income	291	-	-	-	-	2	289
<b>Total income</b>	<b>468</b>	-	-	(5)	-	<b>4</b>	<b>459</b>
Direct expenses							
- staff	(128)	15	32	-	-	-	(81)
- other	(32)	2	12	-	-	-	(18)
<b>Indirect expenses</b>	<b>(167)</b>	<b>(18)</b>	<b>(45)</b>	-	-	-	<b>(230)</b>
Restructuring costs							
- direct	-	-	-	-	(2)	-	(2)
- indirect	-	-	-	-	(22)	-	(22)
<b>Total expenses</b>	<b>(327)</b>	<b>(1)</b>	<b>(1)</b>	-	<b>(24)</b>	-	<b>(353)</b>
Operating profit before impairment losses	141	(1)	(1)	(5)	(24)	4	106
Impairment losses	(99)	-	-	-	-	-	(99)
<b>Operating profit</b>	<b>42</b>	<b>(1)</b>	<b>(1)</b>	<b>(5)</b>	<b>(24)</b>	<b>4</b>	<b>7</b>
Memo: operating profit - adjusted (1)						4	31
<b>Key metrics</b>							
Net interest margin	1.62%					3.15%	1.56%
Cost:income ratio	70%					-	77%
Cost:income ratio - adjusted (1)	n/a					-	72%

	30 June 2013		
	Previously reported	Allocated to	
		Commercial Banking	CIB
<b>Capital and balance sheet</b>	<b>£bn</b>	<b>£bn</b>	<b>£bn</b>
Loans and advances to customers (gross)	40.6	0.3	40.3
Loan impairment provisions	(0.4)	-	(0.4)
Net loans and advances to customers	40.2	0.3	39.9
Funded assets	51.9	0.3	51.6
Risk elements in lending	0.5	-	0.5
Customer deposits (excluding repos)	46.0	-	46.0
Loan:deposit ratio (excluding repos)	87%	-	87%
Provision coverage (2)	75%	-	75%
<b>Risk-weighted assets</b>	<b>49.7</b>	<b>0.2</b>	<b>49.5</b>

Notes:

- (1) Excluding restructuring costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Ulster Bank

	Quarter ended 31 March 2014						Revised Ulster Bank £m
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised treasury allocations	Reclassification of one-off and other items		
		£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	159	-	-	(5)	-	-	154
Non-interest income	47	-	-	-	-	-	47
<b>Total income</b>	<b>206</b>	-	-	(5)	-	-	<b>201</b>
Direct expenses							
- staff	(63)	-	-	-	-	-	(63)
- other	(17)	-	-	-	-	-	(17)
Indirect expenses	(62)	-	(1)	-	-	-	(63)
Restructuring costs							
- indirect	-	-	-	-	-	(2)	(2)
<b>Total expenses</b>	<b>(142)</b>	-	(1)	-	(2)	-	<b>(145)</b>
Operating profit before impairment losses	64	-	(1)	(5)	(2)	-	56
Impairment losses	(47)	-	-	-	-	-	(47)
<b>Operating profit</b>	<b>17</b>	-	(1)	(5)	(2)	-	<b>9</b>
Memo: operating profit - adjusted (1)							11
<b>Key metrics</b>							
Net interest margin	2.36%						2.29%
Cost:income ratio	69%						72%
Cost:income ratio - adjusted (1)	n/a						71%

31 March 2014	Ulster Bank £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	
Loan impairment provisions	26.6 (3.4)
Net loans and advances to customers	23.2
Funded assets	26.0
Risk elements in lending	4.7
Customer deposits (excluding repos)	21.1
Loan:deposit ratio (excluding repos)	110%
Provision coverage (2)	72%
Risk-weighted assets	28.7

### Notes:

(1) Excluding restructuring costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Ulster Bank

	Year ended 31 December 2013						Revised Ulster Bank £m
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m		
<b>Income statement</b>							
Net interest income	631	-	-	(12)	-		619
Non-interest income	240	-	-	-	-		240
<b>Total income</b>	<b>871</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>-</b>		<b>859</b>
Direct expenses							
- staff	(239)	-	-	-	-		(239)
- other	(63)	-	-	-	-		(63)
Indirect expenses	(252)	(11)	-	-	-		(263)
Restructuring costs							
- direct	-	-	-	-	(27)		(27)
- indirect	-	-	-	-	(12)		(12)
Litigation and conduct costs	-	-	-	-	(90)		(90)
<b>Total expenses</b>	<b>(554)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>(129)</b>		<b>(694)</b>
Operating profit before impairment losses	317	(11)	-	(12)	(129)		165
Impairment losses	(1,774)	-	-	-	-		(1,774)
<b>Operating loss</b>	<b>(1,457)</b>	<b>(11)</b>	<b>-</b>	<b>(12)</b>	<b>(129)</b>		<b>(1,609)</b>
Memo: operating loss - adjusted (1)							(1,480)
<b>Key metrics</b>							
Net interest margin	1.91%						1.88%
Cost:income ratio	64%						81%
Cost:income ratio - adjusted (1)	n/a						66%

31 December 2013	Ulster Bank £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	31.4
Loan impairment provisions	(5.4)
Net loans and advances to customers	26.0
Funded assets	28.0
Risk elements in lending	8.5
Customer deposits (excluding repos)	21.7
Loan:deposit ratio (excluding repos)	120%
Provision coverage (2)	64%
Risk-weighted assets	30.7

Notes:

(1) Excluding restructuring costs and litigation and conduct costs.  
(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Ulster Bank

	Half year ended 30 June 2013						Revised Ulster Bank £m
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
		£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	308	-	-	(6)	-	-	302
Non-interest income	142	-	-	-	-	-	142
<b>Total income</b>	<b>450</b>	-	-	(6)	-	-	<b>444</b>
Direct expenses							
- staff	(124)	-	-	-	-	-	(124)
- other	(27)	-	-	-	-	-	(27)
Indirect expenses	(125)	-	-	-	-	-	(125)
Restructuring costs							
- direct	-	-	-	-	-	(15)	(15)
- indirect	-	-	-	-	-	(6)	(6)
Litigation and conduct costs	-	-	-	-	-	(25)	(25)
<b>Total expenses</b>	<b>(276)</b>	-	-	-	(46)	-	<b>(322)</b>
Operating profit before impairment losses	174	-	-	(6)	(46)	-	122
Impairment losses	(503)	-	-	-	-	-	(503)
<b>Operating loss</b>	<b>(329)</b>	-	-	(6)	(46)	-	<b>(381)</b>
Memo: operating loss - adjusted (1)							(335)
<b>Key metrics</b>							
Net interest margin	1.85%						1.82%
Cost:income ratio	61%						73%
Cost:income ratio - adjusted (1)	n/a						62%

30 June 2013	Ulster Bank £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	32.9
Loan impairment provisions	(4.4)
Net loans and advances to customers	28.5
Funded assets	30.3
Risk elements in lending	8.6
Customer deposits (excluding repos)	23.1
Loan:deposit ratio (excluding repos)	123%
Provision coverage (2)	52%
Risk-weighted assets	33.9

### Notes:

(1) Excluding restructuring costs and litigation and conduct costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

	Quarter ended 30 June 2013						Revised Ulster Bank £m
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m		
<b>Income statement</b>							
Net interest income	154	-	-	(2)	-		152
Non-interest income	88	-	-	-	-		88
<b>Total income</b>	<b>242</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>		<b>240</b>
Direct expenses							
- staff	(67)	-	-	-	-		(67)
- other	(12)	-	-	-	-		(12)
Indirect expenses	(65)	-	-	-	-		(65)
Restructuring costs							
- direct	-	-	-	-	(14)		(14)
- indirect	-	-	-	-	(4)		(4)
Litigation and conduct costs	-	-	-	-	(25)		(25)
<b>Total expenses</b>	<b>(144)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43)</b>		<b>(187)</b>
Operating profit before impairment losses	98	-	-	(2)	(43)		53
Impairment losses	(263)	-	-	-	-		(263)
<b>Operating loss</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(43)</b>		<b>(210)</b>
Memo: operating loss - adjusted (1)							(167)
<b>Key metrics</b>							
Net interest margin	1.85%						1.84%
Cost:income ratio	60%						78%
Cost:income ratio - adjusted (1)	n/a						60%

30 June 2013	Ulster Bank £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	32.9
Loan impairment provisions	(4.4)
Net loans and advances to customers	28.5
Funded assets	30.3
Risk elements in lending	8.6
Customer deposits (excluding repos)	23.1
Loan:deposit ratio (excluding repos)	123%
Provision coverage (2)	52%
Risk-weighted assets	33.9

Notes:

(1) Excluding restructuring costs and litigation and conduct costs.  
(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (£ Sterling)

	Quarter ended 31 March 2014						CFG £m
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
	£m	£m	£m	£m	£m		
<b>Income statement</b>							
Net interest income	488	-	-	-	-	-	488
Non-interest income	229	-	-	-	-	-	229
<b>Total income</b>	<b>717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>717</b>
Direct expenses							
- staff	(251)	-	-	-	-	-	(251)
- other	(249)	-	-	-	-	-	(249)
<b>Total expenses</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(500)</b>
Operating profit before impairment losses	217	-	-	-	-	-	217
Impairment losses	(73)	-	-	-	-	-	(73)
<b>Operating profit</b>	<b>144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144</b>
<b>Key metrics</b>							
Net interest margin	2.94%						2.94%
Cost:income ratio	70%						70%
 <b>31 March 2014</b>							
<b>Capital and balance sheet</b>							
Loans and advances to customers (gross)							53.2
<u>Loan impairment provisions</u>							(0.5)
Net loans and advances to customers							52.7
Funded assets							75.7
Risk elements in lending							1.3
Customer deposits (excluding repos)							54.9
Loan:deposit ratio (excluding repos)							96%
Provision coverage (1)							41%
Risk-weighted assets							61.3

Note:

(1) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (£ Sterling)

	Year ended 31 December 2013						CFG £m
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
	£m	£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	1,916	-	-	(24)	-	-	1,892
Non-interest income	1,073	-	-	-	-	-	1,073
<b>Total income</b>	<b>2,989</b>	<b>-</b>	<b>-</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>2,965</b>
Direct expenses							
- staff	(1,091)	-	-	-	-	-	(1,091)
- other	(984)	-	-	-	-	(2)	(986)
Indirect expenses	(111)	5	(5)	-	-	-	(111)
Restructuring costs							
- direct	-	-	-	-	-	(16)	(16)
<b>Total expenses</b>	<b>(2,186)</b>	<b>5</b>	<b>(5)</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>(2,204)</b>
Operating profit before impairment losses	803	5	(5)	(24)	(18)	-	761
Impairment losses	(156)	-	-	-	-	-	(156)
<b>Operating profit</b>	<b>647</b>	<b>5</b>	<b>(5)</b>	<b>(24)</b>	<b>(18)</b>	<b>-</b>	<b>605</b>
Memo: operating profit - adjusted (1)							621
<b>Key metrics</b>							
Net interest margin	2.95%						2.91%
Cost:income ratio	73%						74%
Cost:income ratio - adjusted (1)	n/a						74%

31 December 2013	CFG £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	50.6
Loan impairment provisions	(0.3)
Net loans and advances to customers	50.3
Funded assets	71.3
Risk elements in lending	1.0
Customer deposits (excluding repos)	55.1
Loan:deposit ratio (excluding repos)	91%
Provision coverage (2)	26%
Risk-weighted assets	56.1

Notes:

- (1) Excluding restructuring costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (£ Sterling)

	Half year ended 30 June 2013						CFG £m	
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m			
		£m	£m					
<b>Income statement</b>								
Net interest income	944	-	-	(5)	-	-	939	
Non-interest income	570	-	-	-	-	-	570	
<b>Total income</b>	<b>1,514</b>	-	-	(5)	-	-	<b>1,509</b>	
Direct expenses								
- staff	(572)	-	-	-	-	-	(572)	
- other	(481)	-	-	-	(1)	(1)	(482)	
Indirect expenses	(47)	1	(2)	-	-	-	(48)	
Restructuring costs								
- direct	-	-	-	-	(3)	(3)	(3)	
<b>Total expenses</b>	<b>(1,100)</b>	<b>1</b>	<b>(2)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(1,105)</b>	
Operating profit before impairment losses	414	1	(2)	(5)	(4)	-	404	
Impairment losses	(51)	-	-	-	-	-	(51)	
<b>Operating profit</b>	<b>363</b>	<b>1</b>	<b>(2)</b>	<b>(5)</b>	<b>(4)</b>	<b>-</b>	<b>353</b>	
Memo: operating profit - adjusted (1)							356	
<b>Key metrics</b>								
Net interest margin	2.92%						2.90%	
Cost:income ratio	73%						73%	
Cost:income ratio - adjusted (1)	n/a						73%	

30 June 2013	CFG £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	53.3
Loan impairment provisions	(0.3)
Net loans and advances to customers	53.0
Funded assets	74.1
Risk elements in lending	1.1
Customer deposits (excluding repos)	60.1
Loan:deposit ratio (excluding repos)	88%
Provision coverage (2)	23%
Risk-weighted assets	58.2

### Notes:

(1) Excluding restructuring costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (£ Sterling)

	Quarter ended 30 June 2013						CFG £m
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
	£m	£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	473	-	-	(4)	-	-	469
Non-interest income	278	-	-	-	-	-	278
<b>Total income</b>	<b>751</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>747</b>
Direct expenses							
- staff	(286)	-	-	-	-	-	(286)
- other	(233)	-	-	-	-	-	(233)
Indirect expenses	(26)	-	(1)	-	-	-	(27)
Restructuring costs							
- direct	-	-	-	-	-	(2)	(2)
<b>Total expenses</b>	<b>(545)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(548)</b>
Operating profit before impairment losses	206	-	(1)	(4)	(2)	-	199
Impairment losses	(32)	-	-	-	-	-	(32)
<b>Operating profit</b>	<b>174</b>	<b>-</b>	<b>(1)</b>	<b>(4)</b>	<b>(2)</b>	<b>-</b>	<b>167</b>
Memo: operating profit - adjusted (1)							169
<b>Key metrics</b>							
Net interest margin	2.91%						2.89%
Cost:income ratio	73%						73%
Cost:income ratio - adjusted (1)	n/a						73%

30 June 2013	CFG £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	53.3
Loan impairment provisions	(0.3)
Net loans and advances to customers	53.0
Funded assets	74.1
Risk elements in lending	1.1
Customer deposits (excluding repos)	60.1
Loan:deposit ratio (excluding repos)	88%
Provision coverage (2)	23%
Risk-weighted assets	58.2

### Notes:

(1) Excluding restructuring costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (US dollar)

	Quarter ended 31 March 2014						CFG \$m
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items	\$m	
<b>Income statement</b>							
Net interest income	809	-	-	-	-	-	809
Non-interest income	378	-	-	-	-	-	378
<b>Total income</b>	<b>1,187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,187</b>
Direct expenses							
- staff	(416)	-	-	-	-	-	(416)
- other	(412)	-	-	-	-	-	(412)
<b>Total expenses</b>	<b>(828)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(828)</b>
Operating profit before impairment losses	359	-	-	-	-	-	359
Impairment losses	(121)	-	-	-	-	-	(121)
<b>Operating profit</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238</b>
<b>Key metrics</b>							
Net interest margin	2.94%						2.94%
Cost:income ratio	70%						70%

31 March 2014	CFG \$bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	88.8
Loan impairment provisions	(0.9)
Net loans and advances to customers	87.9
Funded assets	126.2
Risk elements in lending	2.2
Customer deposits (excluding repos)	91.6
Loan:deposit ratio (excluding repos)	96%
Provision coverage (1)	41%
Risk-weighted assets	102.2

Note:

(1) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (US dollar)

	Year ended 31 December 2013						CFG \$m
	Previously reported as US R&C \$m	Transfer to/(from) Functions \$m	Transfer to/(from) Services \$m	Net impact of revised Treasury allocations \$m	Reclassification of one-off and other items \$m		
<b>Income statement</b>							
Net interest income	2,998	-	-	(38)	-		2,960
Non-interest income	1,679	-	-	-	-		1,679
<b>Total income</b>	<b>4,677</b>	<b>-</b>	<b>-</b>	<b>(38)</b>	<b>-</b>		<b>4,639</b>
Direct expenses							
- staff	(1,707)	-	-	-	-		(1,707)
- other	(1,540)	-	-	-	(4)		(1,544)
Indirect expenses	(174)	8	(7)	-	-		(173)
Restructuring costs							
- direct	-	-	-	-	(24)		(24)
<b>Total expenses</b>	<b>(3,421)</b>	<b>8</b>	<b>(7)</b>	<b>-</b>	<b>(28)</b>		<b>(3,448)</b>
Operating profit before impairment losses	1,256	8	(7)	(38)	(28)		1,191
Impairment losses	(244)	-	-	-	-		(244)
<b>Operating profit</b>	<b>1,012</b>	<b>8</b>	<b>(7)</b>	<b>(38)</b>	<b>(28)</b>		<b>947</b>
Memo: operating profit - adjusted (1)							971
<b>Key metrics</b>							
Net interest margin	2.95%						2.91%
Cost:income ratio	73%						74%
Cost:income ratio - adjusted (1)	n/a						74%

31 December 2013	CFG \$bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	83.6
Loan impairment provisions	(0.4)
Net loans and advances to customers	83.2
Funded assets	117.9
Risk elements in lending	1.7
Customer deposits (excluding repos)	91.1
Loan:deposit ratio (excluding repos)	91%
Provision coverage (2)	26%
Risk-weighted assets	92.8

### Notes:

(1) Excluding restructuring costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (US dollar)

	Half year ended 30 June 2013						CFG \$m
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
	\$m	\$m	\$m	\$m	\$m		
<b>Income statement</b>							
Net interest income	1,457	-	-	(8)	-		1,449
Non-interest income	881	-	-	-	-		881
<b>Total income</b>	<b>2,338</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>-</b>		<b>2,330</b>
Direct expenses							
- staff	(883)	-	-	-	-		(883)
- other	(744)	-	-	-	-		(744)
Indirect expenses	(73)	2	(3)	-	-		(74)
Restructuring costs							
- direct	-	-	-	-	-		(5)
<b>Total expenses</b>	<b>(1,700)</b>	<b>2</b>	<b>(3)</b>	<b>-</b>	<b>(5)</b>		<b>(1,706)</b>
Operating profit before impairment losses	638	2	(3)	(8)	(5)		624
Impairment losses	(78)	-	-	-	-		(78)
<b>Operating profit</b>	<b>560</b>	<b>2</b>	<b>(3)</b>	<b>(8)</b>	<b>(5)</b>		<b>546</b>
Memo: operating profit - adjusted (1)							551
<b>Key metrics</b>							
Net interest margin	2.92%						2.90%
Cost:income ratio	73%						73%
Cost:income ratio - adjusted (1)	n/a						73%

30 June 2013	CFG \$bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	81.0
Loan impairment provisions	(0.4)
Net loans and advances to customers	80.6
Funded assets	112.6
Risk elements in lending	1.7
Customer deposits (excluding repos)	91.4
Loan:deposit ratio (excluding repos)	88%
Provision coverage (2)	23%
<b>Risk-weighted assets</b>	<b>88.4</b>

### Notes:

(1) Excluding restructuring costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Citizens Financial Group (US dollar)

	Quarter ended 30 June 2013						CFG \$m
	Previously reported as US R&C	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
	\$m	\$m	\$m	\$m	\$m		
<b>Income statement</b>							
Net interest income	726	-	-	(6)	-		720
Non-interest income	428	-	-	-	-		428
<b>Total income</b>	<b>1,154</b>	-	-	(6)	-		<b>1,148</b>
Direct expenses							
- staff	(439)	-	-	-	-		(439)
- other	(360)	-	-	-	1		(359)
Indirect expenses	(39)	-	(1)	-	-		(40)
Restructuring costs							
- direct	-	-	-	-	(3)		(3)
<b>Total expenses</b>	<b>(838)</b>	-	(1)	-	(2)		<b>(841)</b>
Operating profit before impairment losses	316	-	(1)	(6)	(2)		307
Impairment losses	(48)	-	-	-	-		(48)
<b>Operating profit</b>	<b>268</b>	-	(1)	(6)	(2)		<b>259</b>
Memo: operating profit - adjusted (1)							262
<b>Key metrics</b>							
Net interest margin	2.91%						2.89%
Cost:income ratio	73%						73%
Cost:income ratio - adjusted (1)	n/a						73%

30 June 2013	CFG \$bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	81.0
Loan impairment provisions	(0.4)
Net loans and advances to customers	80.6
Funded assets	112.6
Risk elements in lending	1.7
Customer deposits (excluding repos)	91.4
Loan:deposit ratio (excluding repos)	88%
Provision coverage (2)	23%
<b>Risk-weighted assets</b>	<b>88.4</b>

### Notes:

(1) Excluding restructuring costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Markets

	Quarter ended 31 March 2014						Allocated to CIB £m	
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m			
<b>Income statement</b>								
Net interest income	48	-	-	(47)	-	-	1	
Non-interest income	909	-	-	-	-	-	909	
<b>Total income</b>	<b>957</b>	<b>-</b>	<b>-</b>	<b>(47)</b>	<b>-</b>	<b>-</b>	<b>910</b>	
Direct expenses								
- staff	(305)	37	65	-	(2)	-	(205)	
- other	(153)	3	60	-	-	-	(90)	
Indirect expenses	(179)	(32)	(130)	-	-	-	(341)	
Restructuring costs								
- direct	-	-	-	-	(14)	-	(14)	
- indirect	-	-	-	-	(31)	-	(31)	
<b>Total expenses</b>	<b>(637)</b>	<b>8</b>	<b>(5)</b>	<b>-</b>	<b>(47)</b>	<b>-</b>	<b>(681)</b>	
Operating profit before impairment losses	320	8	(5)	(47)	(47)	-	229	
Impairment losses	(2)	-	-	-	-	-	(2)	
<b>Operating profit</b>	<b>318</b>	<b>8</b>	<b>(5)</b>	<b>(47)</b>	<b>(47)</b>	<b>-</b>	<b>227</b>	
Memo: operating profit - adjusted (1)							272	
<b>Key metrics</b>								
Net interest margin	0.66%						0.01%	
Cost:income ratio	67%						75%	
Cost:income ratio - adjusted (1)	n/a						70%	
<b>31 March 2014</b>							<b>Allocated to CIB £bn</b>	
<b>Capital and balance sheet</b>								
Loans and advances to customers (gross)							24.9	
Loan impairment provisions							(0.1)	
Net loans and advances to customers							24.8	
Funded assets							228.2	
Risk elements in lending							0.1	
Customer deposits (excluding repos)							19.6	
Loan:deposit ratio (excluding repos)							127%	
Provision coverage (2)							80%	
<b>Risk-weighted assets</b>							<b>87.4</b>	

Notes:

(1) Excluding restructuring costs.

(2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Markets

	Year ended 31 December 2013						Allocated to CIB £m
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m		
<b>Income statement</b>							
Net interest income	159	-	-	(259)	-		(100)
Non-interest income	3,163	-	-	-	-		3,163
<b>Total income</b>	<b>3,322</b>	<b>-</b>	<b>-</b>	<b>(259)</b>	<b>-</b>		<b>3,063</b>
Direct expenses							
- staff	(1,086)	180	259	-	(8)		(655)
- other	(710)	41	339	-	(266)		(596)
Indirect expenses	(814)	(267)	(810)	-	-		(1,891)
Restructuring costs							
- direct	-	-	-	-	(74)		(74)
- indirect	-	-	-	-	(18)		(18)
Litigation and conduct costs	-	-	-	-	(2,441)		(2,441)
<b>Total expenses</b>	<b>(2,610)</b>	<b>(46)</b>	<b>(212)</b>	<b>-</b>	<b>(2,807)</b>		<b>(5,675)</b>
Operating profit/(loss) before impairment losses	712	(46)	(212)	(259)	(2,807)		(2,612)
Impairment losses	(92)	-	-	-	-		(92)
<b>Operating profit/(loss)</b>	<b>620</b>	<b>(46)</b>	<b>(212)</b>	<b>(259)</b>	<b>(2,807)</b>		<b>(2,704)</b>
Memo: operating loss - adjusted (1)							(171)
<b>Key metrics</b>							
Net interest margin	0.48%						(0.31%)
Cost:income ratio	79%						185%
Cost:income ratio - adjusted (1)	n/a						103%

31 December 2013	Allocated to CIB £bn	
	Capital and balance sheet	
Loans and advances to customers (gross)		25.4
Loan impairment provisions		(0.2)
Net loans and advances to customers		25.2
Funded assets		212.8
Risk elements in lending		0.3
Customer deposits (excluding repos)		21.5
Loan:deposit ratio (excluding repos)		117%
Provision coverage (2)		85%
Risk-weighted assets		64.5

### Notes:

(1) Excluding restructuring costs and litigation and conduct costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Markets

	Half year ended 30 June 2013						Allocated to CIB £m
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m		
<b>Income statement</b>							
Net interest income	56	-	-	(151)	-		(95)
Non-interest income	1,806	-	-	-	-		1,806
<b>Total income</b>	<b>1,862</b>	<b>-</b>	<b>-</b>	<b>(151)</b>	<b>-</b>		<b>1,711</b>
Direct expenses							
- staff	(640)	93	143	-	(4)		(408)
- other	(384)	18	181	-	(59)		(244)
Indirect expenses	(408)	(115)	(329)	-	-		(852)
Restructuring costs							
- direct	-	-	-	-	(33)		(33)
- indirect	-	-	-	-	(9)		(9)
Litigation and conduct costs	-	-	-	-	(410)		(410)
<b>Total expenses</b>	<b>(1,432)</b>	<b>(4)</b>	<b>(5)</b>	<b>-</b>	<b>(515)</b>		<b>(1,956)</b>
Operating profit/(loss) before impairment losses	430	(4)	(5)	(151)	(515)		(245)
Impairment losses	(59)	-	-	-	-		(59)
<b>Operating profit/(loss)</b>	<b>371</b>	<b>(4)</b>	<b>(5)</b>	<b>(151)</b>	<b>(515)</b>		<b>(304)</b>
Memo: operating profit - adjusted (1)							148
<b>Key metrics</b>							
Net interest margin	0.32%						(0.55%)
Cost:income ratio	77%						114%
Cost:income ratio - adjusted (1)	n/a						88%
<b>30 June 2013</b>							<b>Allocated to CIB £bn</b>
<b>Capital and balance sheet</b>							
Loans and advances to customers (gross)							28.2
Loan impairment provisions							(0.2)
Net loans and advances to customers							28.0
Funded assets							267.9
Risk elements in lending							0.3
Customer deposits (excluding repos)							26.4
Loan:deposit ratio (excluding repos)							106%
Provision coverage (2)							78%
Risk-weighted assets							86.8

### Notes:

(1) Excluding restructuring costs and litigation and conduct costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Markets

	Quarter ended 30 June 2013						Allocated to CIB £m
	Previously reported £m	Transfer to/(from) Functions £m	Transfer to/(from) Services £m	Net impact of revised Treasury allocations £m	Reclassification of one-off and other items £m		
<b>Income statement</b>							
Net interest income	26	-	-	(83)	-		(57)
Non-interest income	796	-	-	-	-		796
<b>Total income</b>	<b>822</b>	<b>-</b>	<b>-</b>	<b>(83)</b>	<b>-</b>		<b>739</b>
Direct expenses							
- staff	(278)	49	69	-	(2)		(162)
- other	(203)	8	87	-	(28)		(136)
Indirect expenses	(205)	(54)	(162)	-	-		(421)
Restructuring costs							
- direct	-	-	-	-	(22)		(22)
- indirect	-	-	-	-	2		2
Litigation and conduct costs	-	-	-	-	(385)		(385)
<b>Total expenses</b>	<b>(686)</b>	<b>3</b>	<b>(6)</b>	<b>-</b>	<b>(435)</b>		<b>(1,124)</b>
Operating profit/(loss) before impairment losses	136	3	(6)	(83)	(435)		(385)
Impairment losses	(43)	-	-	-	-		(43)
<b>Operating profit/(loss)</b>	<b>93</b>	<b>3</b>	<b>(6)</b>	<b>(83)</b>	<b>(435)</b>		<b>(428)</b>
Memo: operating loss - adjusted (1)							(23)
<b>Key metrics</b>							
Net interest margin	0.31%						(0.69%)
Cost:income ratio	83%						152%
Cost:income ratio - adjusted (1)	n/a						97%

30 June 2013	Allocated to CIB £bn
<b>Capital and balance sheet</b>	
Loans and advances to customers (gross)	28.2
Loan impairment provisions	(0.2)
Net loans and advances to customers	28.0
Funded assets	267.9
Risk elements in lending	0.3
Customer deposits (excluding repos)	26.4
Loan:deposit ratio (excluding repos)	106%
Provision coverage (2)	78%
<b>Risk-weighted assets</b>	<b>86.8</b>

### Notes:

(1) Excluding restructuring costs and litigation and conduct costs.  
 (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Non-Core

	Year ended 31 December 2013						Revised Non-Core £m
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
		£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	(61)	-	-	-	-	-	(61)
Non-interest income	(285)	-	-	-	-	-	(285)
<b>Total income (1)</b>	<b>(346)</b>	-	-	-	-	-	<b>(346)</b>
Direct expenses							
- staff	(193)	2	1	-	-	-	(190)
- other	(203)	-	1	-	-	-	(202)
Indirect expenses	(209)	(2)	(2)	-	-	-	(213)
Restructuring costs							
- direct	-	-	-	-	-	(16)	(16)
- indirect	-	-	-	-	-	(6)	(6)
<b>Total expenses</b>	<b>(605)</b>	-	-	-	-	(22)	<b>(627)</b>
Operating loss before impairment losses	(951)	-	-	-	-	(22)	(973)
Impairment losses	(4,576)	-	-	-	-	-	(4,576)
<b>Operating loss</b>	<b>(5,527)</b>	-	-	-	-	(22)	<b>(5,549)</b>
Memo: operating loss - adjusted (2)							(5,527)
<b>Key metrics</b>							
Net interest margin	(0.19%)	-	-	-	-	-	(0.19%)

31 December 2013	Non-Core £bn
<b>Capital and balance sheet (3)</b>	
Loans and advances to customers (gross)	36.7
Loan impairment provisions	(13.8)
Net loans and advances to customers	22.9
Funded assets	28.0
Risk elements in lending	19.0
Customer deposits (excluding repos)	2.2
Provision coverage (4)	73%
Risk-weighted assets	29.2

Notes:

- (1) Reallocation of £35 million between net interest income and non-interest income in respect of funding costs of rental assets.
- (2) Excluding restructuring costs.
- (3) Includes disposal groups.
- (4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Non-Core

	Half year ended 30 June 2013						Revised Non-Core £m
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
		£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	2	-	-	-	-	-	2
Non-interest income	364	-	-	-	-	-	364
<b>Total income (1)</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366</b>
Direct expenses							
- staff	(109)	-	-	-	-	-	(109)
- other	(106)	1	1	-	-	-	(104)
Indirect expenses	(106)	(1)	(1)	-	-	-	(108)
Restructuring costs							
- direct	-	-	-	-	-	(21)	(21)
- indirect	-	-	-	-	-	(2)	(2)
<b>Total expenses</b>	<b>(321)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>(344)</b>
Operating profit before impairment losses	45	-	-	-	-	(23)	22
Impairment losses	(831)	-	-	-	-	-	(831)
<b>Operating loss</b>	<b>(786)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>(809)</b>
Memo: operating loss - adjusted (2)							(786)
<b>Key metrics</b>							
Net interest margin	(0.06%)	-	-	-	-	-	(0.06%)

30 June 2013	Non-Core £bn
<b>Capital and balance sheet (3)</b>	
Loans and advances to customers (gross)	47.2
Loan impairment provisions	(11.4)
Net loans and advances to customers	35.8
Funded assets	45.4
Risk elements in lending	20.9
Customer deposits (excluding repos)	2.8
Provision coverage (4)	55%
Risk-weighted assets	46.3

Notes:

- (1) Reallocation of £19 million between net interest income and non-interest income in respect of funding costs of rental assets.
- (2) Excluding restructuring costs.
- (3) Includes disposal groups.
- (4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

## Non-Core

	Quarter ended 30 June 2013						Revised Non-Core £m
	Previously reported	Transfer to/(from) Functions	Transfer to/(from) Services	Net impact of revised Treasury allocations	Reclassification of one-off and other items		
		£m	£m	£m	£m	£m	
<b>Income statement</b>							
Net interest income	30	-	-	-	-	-	30
Non-interest income	243	-	-	-	-	-	243
<b>Total income (1)</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273</b>
Direct expenses							
- staff	(51)	-	-	-	-	-	(51)
- other	(51)	1	1	-	-	-	(49)
Indirect expenses	(54)	(1)	(1)	-	-	-	(56)
Restructuring costs							
- direct	-	-	-	-	-	(1)	(1)
- indirect	-	-	-	-	-	(2)	(2)
<b>Total expenses</b>	<b>(156)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(159)</b>
Operating profit before impairment losses	117	-	-	-	-	(3)	114
Impairment losses	(398)	-	-	-	-	-	(398)
<b>Operating loss</b>	<b>(281)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(284)</b>
Memo: operating loss - adjusted (2)							(281)
<b>Key metrics</b>							
Net interest margin	0.15%	-	-	-	-	-	0.15%

30 June 2013	Non-Core £bn
<b>Capital and balance sheet (3)</b>	
Loans and advances to customers (gross)	47.2
Loan impairment provisions	(11.4)
Net loans and advances to customers	35.8
Funded assets	45.4
Risk elements in lending	20.9
Customer deposits (excluding repos)	2.8
Provision coverage (4)	55%
<b>Risk-weighted assets</b>	<b>46.3</b>

### Notes:

- (1) Reallocation of £10 million between net interest income and non-interest income in respect of funding costs of rental assets.
- (2) Excluding restructuring costs.
- (3) Includes disposal groups.
- (4) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.