

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.

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.

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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 | | | CFG | RCR | Total RBS |
| | UK PBB £m | Ulster Bank £m | Total £m | Commercial Banking £m | Private Banking £m | Total £m | £m | Central items (1) £m | £m | | | |
| Income statement (2) | | | | | | | | | | | | |
| 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 | |
| Total income | 1,463 | 201 | 1,664 | 770 | 273 | 1,043 | 1,351 | 205 | 717 | 73 | 5,053 | |
| 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 | - | - | - | |
| Total expenses | (865) | (145) | (1,010) | (409) | (199) | (608) | (1,012) | (199) | (500) | (79) | (3,408) | |
| 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) | |
| Operating profit/(loss) | 510 | 9 | 519 | 321 | 75 | 396 | 333 | 5 | 144 | (114) | 1,283 | |
| Memo: | | | | | | | | | | | | |
| 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% | | |
| Capital and balance sheet (7) | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | | |
| 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 | | | | | | | | | | Total RBS £m |
|--|-----------------------------|----------------------|----------------|-----------------------------|--------------------------|----------------|----------------|----------------------|----------------|----------------|--------------------|
| | PBB | | | CPB | | | CIB | Central items (1) | CFG | Non-Core | |
| | UK PBB £m | Ulster Bank £m | Total £m | Commercial Banking £m | Private Banking £m | Total £m | £m | £m | £m | £m | |
| Income statement (2) | | | | | | | | | | | |
| 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 |
| Total income | 5,813 | 859 | 6,672 | 3,157 | 1,077 | 4,234 | 5,008 | 909 | 2,965 | (346) | 19,442 |
| 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) | - |
| Litigation and conduct costs (3) | (860) | (90) | (950) | (247) | (206) | (453) | (2,441) | - | - | - | (3,844) |
| Total expenses | (4,493) | (694) | (5,187) | (1,975) | (1,109) | (3,084) | (7,210) | (198) | (2,204) | (627) | (18,510) |
| Operating profit/(loss) before impairment losses | 1,320 | 165 | 1,485 | 1,182 | (32) | 1,150 | (2,202) | 711 | 761 | (973) | 932 |
| Impairment losses | (501) | (1,774) | (2,275) | (652) | (29) | (681) | (680) | (64) | (156) | (4,576) | (8,432) |
| Operating profit/(loss) | 819 | (1,609) | (790) | 530 | (61) | 469 | (2,882) | 647 | 605 | (5,549) | (7,500) |
| Memo: | | | | | | | | | | | |
| Loss attributable to ordinary and B shareholders (4) | | | | | | | | | | | (8,995) |
| Total expenses - adjusted (5) | (3,406) | (565) | (3,971) | (1,673) | (876) | (2,549) | (4,567) | (130) | (2,188) | (605) | (14,010) |
| 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% | |
| Capital and balance sheet (7) | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | £bn | |
| 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) | CFG | Non-Core | Total RBS |
| | UK PBB £m | Ulster Bank £m | Total £m | Commercial Banking £m | Private Banking £m | Total £m | £m | £m | | | | |
| Income statement (2) | | | | | | | | | | | | |
| Net interest income | 2,200 | 302 | 2,502 | 936 | 317 | 1,253 | 314 | 451 | 939 | (17) | 5,442 | |
| Non-interest income | 629 | 142 | 771 | 613 | 214 | 827 | 2,394 | 221 | 570 | 383 | 5,166 | |
| Total income | 2,829 | 444 | 3,273 | 1,549 | 531 | 2,080 | 2,708 | 672 | 1,509 | 366 | 10,608 | |
| 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) | - | |
| Litigation and conduct costs (3) | (160) | (25) | (185) | (25) | - | (25) | (410) | - | - | - | (620) | |
| Total expenses | (1,885) | (322) | (2,207) | (854) | (436) | (1,290) | (2,682) | (122) | (1,105) | (344) | (7,750) | |
| Operating profit before impairment losses | 944 | 122 | 1,066 | 695 | 95 | 790 | 26 | 550 | 404 | 22 | 2,858 | |
| Impairment (losses)/recoveries | (256) | (503) | (759) | (282) | (7) | (289) | (223) | 3 | (51) | (831) | (2,150) | |
| Operating profit/(loss) | 688 | (381) | 307 | 413 | 88 | 501 | (197) | 553 | 353 | (809) | 708 | |
| Memo: | | | | | | | | | | | | |
| Profit attributable to ordinary and B shareholders (4) | | | | | | | | | | | 535 | |
| Total expenses - adjusted (5) | (1,616) | (276) | (1,892) | (800) | (431) | (1,231) | (2,189) | (124) | (1,102) | (321) | (6,859) | |
| Operating profit/(loss) - adjusted (5) | 957 | (335) | 622 | 467 | 93 | 560 | 296 | 551 | 356 | (786) | 1,599 | |

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 | £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) | CFG | Non-Core | Total RBS |
| | UK PBB £m | Ulster Bank £m | Total £m | Commercial Banking £m | Private Banking £m | Total £m | £m | £m | | | | |
| Income statement (2) | | | | | | | | | | | | |
| Net interest income | 1,118 | 152 | 1,270 | 484 | 159 | 643 | 142 | 226 | 469 | 20 | 2,770 | |
| Non-interest income | 320 | 88 | 408 | 325 | 110 | 435 | 1,094 | 209 | 278 | 253 | 2,677 | |
| Total income | 1,438 | 240 | 1,678 | 809 | 269 | 1,078 | 1,236 | 435 | 747 | 273 | 5,447 | |
| 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) | - | |
| Litigation and conduct costs (3) | (160) | (25) | (185) | - | - | - | (385) | - | - | - | (570) | |
| Total expenses | (1,044) | (187) | (1,231) | (425) | (220) | (645) | (1,487) | (86) | (548) | (159) | (4,156) | |
| Operating profit/(loss) before impairment losses | 394 | 53 | 447 | 384 | 49 | 433 | (251) | 349 | 199 | 114 | 1,291 | |
| Impairment (losses)/recoveries | (126) | (263) | (389) | (155) | (2) | (157) | (144) | 3 | (32) | (398) | (1,117) | |
| Operating profit/(loss) | 268 | (210) | 58 | 229 | 47 | 276 | (395) | 352 | 167 | (284) | 174 | |
| Memo: | | | | | | | | | | | | |
| Profit attributable to ordinary and B shareholders (4) | | | | | | | | | | | 142 | |
| Total expenses - adjusted (5) | (815) | (144) | (959) | (409) | (217) | (626) | (1,058) | (92) | (546) | (156) | (3,437) | |
| Operating profit/(loss) - adjusted (5) | 497 | (167) | 330 | 245 | 50 | 295 | 34 | 346 | 169 | (281) | 893 | |

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 | £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.

Appendix 1

Consolidated income statement

Consolidated income statement reconciliation for the quarter ended 31 March 2014

| | As previously reported £m | Re-representation 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) |
| Net interest income | 2,698 | - | 2,698 | (3) | - | 2,695 |
| 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 |
| Non-interest income | 2,355 | - | 2,355 | 363 | - | 2,718 |
| Total income | 5,053 | - | 5,053 | 360 | - | 5,413 |
| 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 | - |
| Operating expenses | (3,190) | (218) | (3,408) | (1) | - | (3,409) |
| Profit before impairment losses | 1,863 | (218) | 1,645 | 359 | - | 2,004 |
| Impairment losses | (362) | - | (362) | - | - | (362) |
| Operating profit | 1,501 | (218) | 1,283 | 359 | - | 1,642 |
| 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) | - | - |
| Profit before tax | 1,642 | - | 1,642 | - | - | 1,642 |
| Tax | (362) | - | (362) | - | - | (362) |
| Profit from continuing operations | 1,280 | - | 1,280 | - | - | 1,280 |
| Profit from discontinued operations, net of tax | 9 | - | 9 | - | - | 9 |
| Profit for the period | 1,289 | - | 1,289 | - | - | 1,289 |
| Non-controlling interests | (19) | - | (19) | - | - | (19) |
| Preference share and other dividends | (75) | - | (75) | - | - | (75) |
| Profit attributable to ordinary and B shareholders | 1,195 | - | 1,195 | - | - | 1,195 |

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-representation 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) |
| Net interest income | 10,992 | - | 10,992 | (11) | - | 10,981 |
| 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 |
| Non-interest income | 8,450 | - | 8,450 | 326 | - | 8,776 |
| Total income | 19,442 | - | 19,442 | 315 | - | 19,757 |
| 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 | - |
| Operating expenses | (13,313) | (5,197) | (18,510) | (1,058) | - | (19,568) |
| Profit before impairment losses | 6,129 | (5,197) | 932 | (743) | - | 189 |
| Impairment losses | (8,432) | - | (8,432) | - | - | (8,432) |
| Operating loss | (2,303) | (5,197) | (7,500) | (743) | - | (8,243) |
| 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) | - | - |
| Loss before tax | (8,243) | - | (8,243) | - | - | (8,243) |
| Tax | (382) | - | (382) | - | - | (382) |
| Loss from continuing operations | (8,625) | - | (8,625) | - | - | (8,625) |
| Profit from discontinued operations, net of tax | 148 | - | 148 | - | - | 148 |
| Loss for the period | (8,477) | - | (8,477) | - | - | (8,477) |
| Non-controlling interests | (120) | - | (120) | - | - | (120) |
| Preference share and other dividends | (398) | - | (398) | - | - | (398) |
| Loss attributable to ordinary and B shareholders | (8,995) | - | (8,995) | - | - | (8,995) |

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-representation 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) |
| Net interest income | 5,442 | - | 5,442 | (5) | - | 5,437 |
| 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 |
| Non-interest income | 5,166 | - | 5,166 | 669 | - | 5,835 |
| Total income | 10,608 | - | 10,608 | 664 | - | 11,272 |
| 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 | - | (271) | (271) | - | 271 | - |
| Restructuring costs | - | (620) | (620) | - | 620 | - |
| Litigation and conduct costs | - | (620) | (620) | - | 620 | - |
| Operating expenses | (6,780) | (970) | (7,750) | 2 | - | (7,748) |
| Profit before impairment losses | 3,828 | (970) | 2,858 | 666 | - | 3,524 |
| Impairment losses | (2,150) | - | (2,150) | - | - | (2,150) |
| Operating profit | 1,678 | (970) | 708 | 666 | - | 1,374 |
| 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) | - | - |
| Profit before tax | 1,374 | - | 1,374 | - | - | 1,374 |
| Tax | (678) | - | (678) | - | - | (678) |
| Profit from continuing operations | 696 | - | 696 | - | - | 696 |
| Profit from discontinued operations, net of tax | 138 | - | 138 | - | - | 138 |
| Profit for the period | 834 | - | 834 | - | - | 834 |
| Non-controlling interests | (117) | - | (117) | - | - | (117) |
| Preference share and other dividends | (182) | - | (182) | - | - | (182) |
| Profit attributable to ordinary and B shareholders | 535 | - | 535 | - | - | 535 |

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-representation 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) |
| Net interest income | 2,770 | - | 2,770 | (3) | - | 2,767 |
| 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 |
| Non-interest income | 2,677 | - | 2,677 | 376 | - | 3,053 |
| Total income | 5,447 | - | 5,447 | 373 | - | 5,820 |
| 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 | - |
| Operating expenses | (3,399) | (757) | (4,156) | 1 | - | (4,155) |
| Profit before impairment losses | 2,048 | (757) | 1,291 | 374 | - | 1,665 |
| Impairment losses | (1,117) | - | (1,117) | - | - | (1,117) |
| Operating profit | 931 | (757) | 174 | 374 | - | 548 |
| 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 | - | - |
| Profit before tax | 548 | - | 548 | - | - | 548 |
| Tax | (328) | - | (328) | - | - | (328) |
| Profit from continuing operations | 220 | - | 220 | - | - | 220 |
| Profit from discontinued operations, net of tax | 9 | - | 9 | - | - | 9 |
| Profit for the period | 229 | - | 229 | - | - | 229 |
| Non-controlling interests | 14 | - | 14 | - | - | 14 |
| Preference share and other dividends | (101) | - | (101) | - | - | (101) |
| Profit attributable to ordinary and B shareholders | 142 | - | 142 | - | - | 142 |

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.

Appendix 2

Components of customer franchises

Components of customer franchises

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

| | Allocated from | | | | | | | | | Total £m |
|------------------------------------|--------------------|-----------------------|--------------|--------------------------------|----------------------|-----------|---------------|--------------|-----------|-------------|
| | UK Retail £m | UK Corporate £m | Wealth £m | International Banking £m | Ulster Bank £m | CFG £m | Markets £m | Centre £m | RCR £m | |
| Quarter ended 31 March 2014 | | | | | | | | | | |
| 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 |

| | Allocated from | | | | | | | | | Total £m |
|------------------------------------|--------------------|-----------------------|--------------|--------------------------------|----------------------|-----------|---------------|--------------|--------------------|-------------|
| | UK Retail £m | UK Corporate £m | Wealth £m | International Banking £m | Ulster Bank £m | CFG £m | Markets £m | Centre £m | Non- Core £m | |
| Year ended 31 December 2013 | | | | | | | | | | |
| 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 | 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 |
| Total income | 1,218 | 245 | 1,463 | 201 | 1,664 |
| 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 |
| Total expenses | (708) | (157) | (865) | (145) | (1,010) |
| Operating profit before impairment losses | 510 | 88 | 598 | 56 | 654 |
| Impairment losses | (59) | (29) | (88) | (47) | (135) |
| Operating profit | 451 | 59 | 510 | 9 | 519 |
| Memo: operating profit - adjusted (1) | 440 | 60 | 500 | 11 | 511 |
| Key metrics | | | | | |
| 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% |
| Risk-weighted assets | 36.8 | 11.7 | 48.5 | 28.7 | 77.2 |

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 RWAs).
- (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 | | | | Total PBB £m |
|--|-----------------------------|--------------------|----------------|-------------------|--------------------|
| | Allocated from | | UK PBB £m | Ulster Bank £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 |
| Total income | 4,841 | 972 | 5,813 | 859 | 6,672 |
| 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) |
| Total expenses | (3,825) | (668) | (4,493) | (694) | (5,187) |
| Operating profit before impairment losses | 1,016 | 304 | 1,320 | 165 | 1,485 |
| Impairment losses | (324) | (177) | (501) | (1,774) | (2,275) |
| Operating profit/(loss) | 692 | 127 | 819 | (1,609) | (790) |
| 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) |
| Key metrics | | | | | |
| 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 | | | | Total PBB £bn |
|--|------------------|---------------------|---------------|--------------------|---------------------|
| | Allocated from | | UK PBB £bn | Ulster Bank £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% |
| Risk-weighted assets | 37.4 | 13.8 | 51.2 | 30.7 | 81.9 |

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 | 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 |
| Total income | 2,348 | 481 | 2,829 | 444 | 3,273 |
| 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) |
| Total expenses | (1,576) | (309) | (1,885) | (322) | (2,207) |
| Operating profit before impairment losses | 772 | 172 | 944 | 122 | 1,066 |
| Impairment losses | (169) | (87) | (256) | (503) | (759) |
| Operating profit/(loss) | 603 | 85 | 688 | (381) | 307 |
| Memo: operating profit/(loss) - adjusted (1) | 867 | 90 | 957 | (335) | 622 |
| Key metrics | | | | | |
| 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 |
| Total income | 1,190 | 248 | 1,438 | 240 | 1,678 |
| 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) |
| Total expenses | (889) | (155) | (1,044) | (187) | (1,231) |
| Operating profit before impairment losses | 301 | 93 | 394 | 53 | 447 |
| Impairment losses | (89) | (37) | (126) | (263) | (389) |
| Operating profit/(loss) | 212 | 56 | 268 | (210) | 58 |
| Memo: operating profit/(loss) - adjusted (1) | 438 | 59 | 497 | (167) | 330 |
| Key metrics | | | | | |
| 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

| | Quarter ended 31 March 2014 | | | | | | Total CPB £m |
|---|-----------------------------|--------------------------------|--------------|-----------------------------|--------------------------|--|--------------------|
| | Allocated from | | | Commercial Banking £m | Private Banking £m | | |
| | UK Corporate £m | International Banking £m | Centre £m | | | | |
| Income statement | | | | | | | |
| Net interest income | 476 | 1 | 11 | 488 | 170 | | 658 |
| Non-interest income | 287 | 2 | (7) | 282 | 103 | | 385 |
| Total income | 763 | 3 | 4 | 770 | 273 | | 1,043 |
| Direct expenses | | | | | | | |
| - staff | (133) | - | - | (133) | (80) | | (213) |
| - other | (63) | - | - | (63) | (18) | | (81) |
| Indirect expenses | (212) | - | - | (212) | (101) | | (313) |
| Restructuring costs | | | | | | | |
| - indirect | (1) | - | - | (1) | - | | (1) |
| Total expenses | (409) | - | - | (409) | (199) | | (608) |
| Operating profit before impairment losses | 354 | 3 | 4 | 361 | 74 | | 435 |
| Impairment (losses)/recoveries | (40) | - | - | (40) | 1 | | (39) |
| Operating profit | 314 | 3 | 4 | 321 | 75 | | 396 |
| Memo: operating profit - adjusted (1) | 315 | 3 | 4 | 322 | 75 | | 397 |
| Key metrics | | | | | | | |
| 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% |

| | 31 March 2014 | | | | | | Total CPB £bn |
|---|---------------------|---------------------------------|---------------|------------------------------|---------------------------|--|---------------------|
| | Allocated from | | | Commercial Banking £bn | Private Banking £bn | | |
| | UK Corporate £bn | International Banking £bn | Centre £bn | | | | |
| Capital and balance sheet | | | | | | | |
| 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 RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial & Private Banking

| | Year ended 31 December 2013 | | | | | | Total CPB £m |
|---|-----------------------------|--------------------------------|--------------|-----------------------------|--------------------------|--|--------------------|
| | Allocated from | | | Commercial Banking £m | Private Banking £m | | |
| | UK Corporate £m | International Banking £m | Centre £m | | | | |
| Income statement | | | | | | | |
| 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% |

| | 31 December 2013 | | | | | | Total CPB £bn |
|---|---------------------|---------------------------------|---------------|------------------------------|---------------------------|--|---------------------|
| | Allocated from | | | Commercial Banking £bn | Private Banking £bn | | |
| | UK Corporate £bn | International Banking £bn | Centre £bn | | | | |
| Capital and balance sheet | | | | | | | |
| 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 RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Commercial & Private Banking

| | Half year ended 30 June 2013 | | | | | | Total CPB £m |
|---|------------------------------|--------------------------------|--------------|-----------------------------|--------------------------|--|--------------------|
| | Allocated from | | | Commercial Banking £m | Private Banking £m | | |
| | UK Corporate £m | International Banking £m | Centre £m | | | | |
| Income statement | | | | | | | |
| 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 |
| Key metrics | | | | | | | |
| 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% |

| | 30 June 2013 | | | | | | Total CPB £bn |
|---|---------------------|---------------------------------|---------------|------------------------------|---------------------------|--|---------------------|
| | Allocated from | | | Commercial Banking £bn | Private Banking £bn | | |
| | UK Corporate £bn | International Banking £bn | Centre £bn | | | | |
| Capital and balance sheet | | | | | | | |
| 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

| | Quarter ended 30 June 2013 | | | | | | Total CPB £m |
|---|----------------------------|--------------------------------|--------------|-----------------------------|--------------------------|--|--------------------|
| | Allocated from | | | Commercial Banking £m | Private Banking £m | | |
| | UK Corporate £m | International Banking £m | Centre £m | | | | |
| Income statement | | | | | | | |
| 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% |

| | 30 June 2013 | | | | | | Total CPB £bn |
|---|---------------------|---------------------------------|---------------|------------------------------|---------------------------|--|---------------------|
| | Allocated from | | | Commercial Banking £bn | Private Banking £bn | | |
| | UK Corporate £bn | International Banking £bn | Centre £bn | | | | |
| Capital and balance sheet | | | | | | | |
| 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

| | Quarter ended 31 March 2014 | | | |
|--|-----------------------------|--------------------------------|---------------|-------------|
| | Allocated from | | | Total £m |
| | UK Corporate £m | International Banking £m | Markets £m | |
| Income statement | | | | |
| 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 |
| Key metrics | | | | |
| 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% | - | - |

| | 31 March 2014 | | | |
|---|---------------------|---------------------------------|----------------|--------------|
| | Allocated from | | | Total £bn |
| | UK Corporate £bn | International Banking £bn | Markets £bn | |
| Capital and balance sheet | | | | |
| 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 RWAs).
- (3) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

Corporate & Institutional Banking

| | Year ended 31 December 2013 | | | |
|--|-----------------------------|--------------------------------|---------------|-------------|
| | Allocated from | | | Total £m |
| | UK Corporate £m | International Banking £m | Markets £m | |
| Income statement | | | | |
| 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) |
| Key metrics | | | | |
| 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% |

| | 31 December 2013 | | | |
|---|---------------------|---------------------------------|----------------|--------------|
| | Allocated from | | | Total £bn |
| | UK Corporate £bn | International Banking £bn | Markets £bn | |
| Capital and balance sheet | | | | |
| 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

| | Half year ended 30 June 2013 | | | Total £m |
|--|------------------------------|--------------------------------|---------------|-------------|
| | Allocated from | | | |
| | UK Corporate £m | International Banking £m | Markets £m | |
| Income statement | | | | |
| 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 |
| Key metrics | | | | |
| 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% |

| | 30 June 2013 | | | Total £bn |
|---|---------------------|---------------------------------|----------------|--------------|
| | Allocated from | | | |
| | UK Corporate £bn | International Banking £bn | Markets £bn | |
| Capital and balance sheet | | | | |
| 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

| | Quarter ended 30 June 2013 | | | Total £m |
|--|----------------------------|--------------------------------|---------------|-------------|
| | Allocated from | | | |
| | UK Corporate £m | International Banking £m | Markets £m | |
| Income statement | | | | |
| Net interest income | 29 | 170 | (57) | 142 |
| Non-interest income | 9 | 289 | 796 | 1,094 |
| Total income | 38 | 459 | 739 | 1,236 |
| 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) |
| Total expenses | (10) | (353) | (1,124) | (1,487) |
| Operating profit/(loss) before impairment losses | 28 | 106 | (385) | (251) |
| Impairment losses | (2) | (99) | (43) | (144) |
| Operating profit/(loss) | 26 | 7 | (428) | (395) |
| Memo: operating profit/(loss) - adjusted (1) | 26 | 31 | (23) | 34 |
| Key metrics | | | | |
| 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% |

| | 30 June 2013 | | | Total £bn |
|---|---------------------|---------------------------------|----------------|--------------|
| | Allocated from | | | |
| | UK Corporate £bn | International Banking £bn | Markets £bn | |
| Capital and balance sheet | | | | |
| 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

| | 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 | (76) | 154 | (4) | (69) | 5 |

Year ended 31 December 2013

| | 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 |

Half year ended 30 June 2013

| | 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 | 104 | 385 | (5) | 69 | 553 |

Quarter ended 30 June 2013

| | 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 |

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..

Appendix 3

Allocation of previous divisions to new customer franchises

Allocation of previous divisions to new customer franchises

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 | £m | £m | £m | £m |
| Income statement | | | | | | |
| Net interest income | 994 | - | - | (22) | - | 972 |
| Non-interest income | 246 | - | - | - | - | 246 |
| Total income | 1,240 | - | - | (22) | - | 1,218 |
| Direct expenses | | | | | | |
| - staff | (165) | 5 | 6 | - | (8) | (162) |
| - other | (148) | 27 | 1 | - | - | (120) |
| Indirect expenses | (335) | (36) | (66) | - | - | (437) |
| Restructuring costs | | | | | | |
| - indirect | - | - | - | - | 11 | 11 |
| Total expenses | (648) | (4) | (59) | - | 3 | (708) |
| Operating profit before impairment losses | 592 | (4) | (59) | (22) | 3 | 510 |
| Impairment losses | (59) | - | - | - | - | (59) |
| Operating profit | 533 | (4) | (59) | (22) | 3 | 451 |
| Memo: operating profit - adjusted (1) | | | | | | 440 |
| Key metrics | | | | | | |
| 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 |
| Capital and balance sheet | | | |
| 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 £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 | Allocated to UK PBB £m |
| Income statement | | | | | | |
| Net interest income | 3,979 | - | - | (96) | - | 3,883 |
| Non-interest income | 958 | - | - | - | - | 958 |
| Total income | 4,937 | - | - | (96) | - | 4,841 |
| Direct expenses | | | | | | |
| - staff | (684) | 24 | 22 | - | (36) | (674) |
| - other | (560) | 117 | 1 | - | - | (442) |
| Indirect expenses | (1,426) | (177) | (34) | - | - | (1,637) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (118) | (118) |
| - indirect | - | - | - | - | (94) | (94) |
| Litigation and conduct costs | - | - | - | - | (860) | (860) |
| Total expenses | (2,670) | (36) | (11) | - | (1,108) | (3,825) |
| Operating profit before impairment losses | 2,267 | (36) | (11) | (96) | (1,108) | 1,016 |
| Impairment losses | (324) | - | - | - | - | (324) |
| Operating profit | 1,943 | (36) | (11) | (96) | (1,108) | 692 |
| Memo: operating profit - adjusted (1) | | | | | | 1,764 |
| Key metrics | | | | | | |
| 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 £bn | Adjustments £bn | Allocated to UK PBB £bn |
| Capital and balance sheet | | | |
| 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 | | | | | | |
|---|---------------------------|---------------------------------------|--------------------------------------|---|---|------------------------------|
| Income statement | 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 | Allocated to UK PBB £m |
| Net interest income | 1,952 | - | - | (55) | - | 1,897 |
| Non-interest income | 451 | - | - | - | - | 451 |
| Total income | 2,403 | - | - | (55) | - | 2,348 |
| 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) |
| Total expenses | (1,280) | (9) | (5) | - | (282) | (1,576) |
| Operating profit before impairment losses | 1,123 | (9) | (5) | (55) | (282) | 772 |
| Impairment losses | (169) | - | - | - | - | (169) |
| Operating profit | 954 | (9) | (5) | (55) | (282) | 603 |
| Memo: operating profit - adjusted (1) | | | | | | 867 |
| Key metrics | | | | | | |
| Net interest margin | 3.53% | | | | | 3.42% |
| Cost:income ratio | 53% | | | | | 67% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 56% |

| 30 June 2013 | | | |
|---|----------------------------|--------------------|-------------------------------|
| Capital and balance sheet | Previously reported £bn | Adjustments £bn | Allocated to UK PBB £bn |
| 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 | | | | | | 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 | | |
| Income statement | | | | | | | |
| Net interest income | 987 | - | - | (22) | - | | 965 |
| Non-interest income | 225 | - | - | - | - | | 225 |
| Total income | 1,212 | - | - | (22) | - | | 1,190 |
| 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) |
| Total expenses | (646) | (6) | (2) | - | (235) | | (889) |
| Operating profit before impairment losses | 566 | (6) | (2) | (22) | (235) | | 301 |
| Impairment losses | (89) | - | - | - | - | | (89) |
| Operating profit | 477 | (6) | (2) | (22) | (235) | | 212 |
| Memo: operating profit - adjusted (1) | | | | | | | 438 |
| Key metrics | | | | | | | |
| 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 £bn | Adjustments £bn | Allocated to UK PBB £bn |
| Capital and balance sheet | | | |
| 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

| Quarter ended 31 March 2014 | | | | | | | | | |
|--|---------------------------|---------------------------------------|--------------------------------------|---|---|--------------|-----------------------------|-----------|--|
| Income statement | 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 | 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 | |
| Key metrics | | | | | | | | | |
| 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% | |

| 31 March 2014 | | | | |
|---|----------------------------|---------------|------------------------------|------------|
| Capital and balance sheet | Previously reported £bn | 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

| Year ended 31 December 2013 | | | | | | | | | |
|--|---------------------------|---------------------------------------|--------------------------------------|--|---|--------------|--------------------------|-----------|--|
| Income statement | 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 | Allocated to | | | |
| | | | | | | UK PBB £m | Commercial Banking £m | CIB £m | |
| Net interest income | 2,874 | - | - | (209) | - | 607 | 1,934 | 124 | |
| Non-interest income | 1,593 | - | - | - | - | 365 | 1,195 | 33 | |
| Total income | 4,467 | - | - | (209) | - | 972 | 3,129 | 157 | |
| 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) | - | |
| Total expenses | (2,219) | (109) | (2) | - | (354) | (668) | (1,974) | (42) | |
| Operating profit before impairment losses | 2,248 | (109) | (2) | (209) | (354) | 304 | 1,155 | 115 | |
| Impairment losses | (1,188) | - | - | - | - | (177) | (652) | (359) | |
| Operating profit/(loss) | 1,060 | (109) | (2) | (209) | (354) | 127 | 503 | (244) | |
| Memo: operating profit/(loss) - adjusted (1) | | | | | | 142 | 805 | (243) | |
| Key metrics | | | | | | | | | |
| 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 | | | | |
|---|----------------------------|---------------|---------------------------|------------|
| Capital and balance sheet | Previously reported £bn | Allocated to | | |
| | | 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

| Half year ended 30 June 2013 | | | | | | | | | |
|---|---------------------------|---------------------------------------|--------------------------------------|--|---|--------------|--------------------------|-----------|--|
| Income statement | 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 | Allocated to | | | |
| | | | | | | UK PBB £m | Commercial Banking £m | CIB £m | |
| Net interest income | 1,421 | - | - | (134) | - | 303 | 925 | 59 | |
| Non-interest income | 805 | - | - | - | - | 178 | 611 | 16 | |
| Total income | 2,226 | - | - | (134) | - | 481 | 1,536 | 75 | |
| 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) | - | |
| Total expenses | (1,094) | (11) | (1) | - | (77) | (309) | (854) | (20) | |
| Operating profit before impairment losses | 1,132 | (11) | (1) | (134) | (77) | 172 | 682 | 55 | |
| Impairment losses | (379) | - | - | - | - | (87) | (282) | (10) | |
| Operating profit | 753 | (11) | (1) | (134) | (77) | 85 | 400 | 45 | |
| Memo: operating profit - adjusted (1) | | | | | | 90 | 454 | 45 | |
| Key metrics | | | | | | | | | |
| 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% | |

| 30 June 2013 | | | | |
|---|----------------------------|---------------|---------------------------|------------|
| Capital and balance sheet | Previously reported £bn | Allocated to | | |
| | | UK PBB £bn | Commercial Banking £bn | CIB £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 and litigation and conduct costs.
- (2) Provision coverage represents loan impairment provisions as a percentage of risk elements in lending.

UK Corporate

| Quarter ended 30 June 2013 | | | | | | | | | |
|---|---------------------------|---------------------------------------|--------------------------------------|--|---|--------------|--------------------------|-----------|--|
| Income statement | 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 | Allocated to | | | |
| | | | | | | UK PBB £m | Commercial Banking £m | CIB £m | |
| Net interest income | 715 | - | - | (54) | - | 153 | 479 | 29 | |
| Non-interest income | 427 | - | - | - | - | 95 | 323 | 9 | |
| Total income | 1,142 | - | - | (54) | - | 248 | 802 | 38 | |
| 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) | - | |
| Total expenses | (553) | (7) | (2) | - | (28) | (155) | (425) | (10) | |
| Operating profit before impairment losses | 589 | (7) | (2) | (54) | (28) | 93 | 377 | 28 | |
| Impairment losses | (194) | - | - | - | - | (37) | (155) | (2) | |
| Operating profit | 395 | (7) | (2) | (54) | (28) | 56 | 222 | 26 | |
| Memo: operating profit - adjusted (1) | | | | | | 59 | 238 | 26 | |
| Key metrics | | | | | | | | | |
| 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% | |

| 30 June 2013 | | | | |
|---|----------------------------|---------------|---------------------------|------------|
| Capital and balance sheet | Previously reported £bn | Allocated to | | |
| | | UK PBB £bn | Commercial Banking £bn | CIB £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 £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 | | | |
| Income statement | | | | | | | |
| Net interest income | 171 | - | - | (1) | - | | 170 |
| Non-interest income | 103 | - | - | - | - | | 103 |
| Total income | 274 | - | - | (1) | - | | 273 |
| Direct expenses | | | | | | | |
| - staff | (94) | 6 | 10 | - | (2) | | (80) |
| - other | (30) | 6 | 6 | - | - | | (18) |
| Indirect expenses | (73) | (10) | (18) | - | - | | (101) |
| Total expenses | (197) | 2 | (2) | - | (2) | | (199) |
| Operating profit before impairment losses | 77 | 2 | (2) | (1) | (2) | | 74 |
| Impairment recoveries | 1 | - | - | - | - | | 1 |
| Operating profit | 78 | 2 | (2) | (1) | (2) | | 75 |
| Memo: operating profit - adjusted | | | | | | | 75 |
| Key metrics | | | | | | | |
| 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 |
|---|--|---------------------------|
| Capital and balance sheet | | |
| 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 | | | | | | |
|--|---------------------|------------------------------|-----------------------------|--|---|-------------------------|
| | Previously reported | Transfer to/(from) Functions | Transfer to/(from) Services | Net impact of revised Treasury allocations | Reclassification of one-off and other items | Revised Private Banking |
| | £m | £m | £m | £m | £m | £m |
| Income statement | | | | | | |
| Net interest income | 674 | - | - | (16) | - | 658 |
| Non-interest income | 419 | - | - | - | - | 419 |
| Total income | 1,093 | - | - | (16) | - | 1,077 |
| 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) |
| Total expenses | (843) | (20) | (5) | - | (241) | (1,109) |
| Operating profit/(loss) before impairment losses | 250 | (20) | (5) | (16) | (241) | (32) |
| Impairment losses | (29) | - | - | - | - | (29) |
| Operating profit/(loss) | 221 | (20) | (5) | (16) | (241) | (61) |
| Memo: operating profit - adjusted (1) | | | | | | 172 |
| Key metrics | | | | | | |
| Net interest margin | 3.56% | | | | | 3.47% |
| Cost:income ratio | 77% | | | | | 103% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 81% |

| | Private Banking |
|---|-----------------|
| | £bn |
| 31 December 2013 | |
| Capital and balance sheet | |
| 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 | | | | | | | |
|---|---------------------|------------------------------|-----------------------------|--|---|--|-------------------------|
| | Previously reported | Transfer to/(from) Functions | Transfer to/(from) Services | Net impact of revised Treasury allocations | Reclassification of one-off and other items | | Revised Private Banking |
| | £m | £m | £m | £m | £m | | £m |
| Income statement | | | | | | | |
| Net interest income | 331 | - | - | (14) | - | | 317 |
| Non-interest income | 214 | - | - | - | - | | 214 |
| Total income | 545 | - | - | (14) | - | | 531 |
| 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) |
| Total expenses | (426) | - | (1) | - | (9) | | (436) |
| Operating profit before impairment losses | 119 | - | (1) | (14) | (9) | | 95 |
| Impairment losses | (7) | - | - | - | - | | (7) |
| Operating profit | 112 | - | (1) | (14) | (9) | | 88 |
| Memo: operating profit - adjusted (1) | | | | | | | 93 |
| Key metrics | | | | | | | |
| Net interest margin | 3.48% | | | | | | 3.33% |
| Cost:income ratio | 78% | | | | | | 82% |
| Cost:income ratio - adjusted (1) | n/a | | | | | | 81% |

| | Private Banking |
|---|-----------------|
| | £bn |
| 30 June 2013 | |
| Capital and balance sheet | |
| 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 £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 | |
| Income statement | | | | | | |
| Net interest income | 162 | - | - | (3) | - | 159 |
| Non-interest income | 110 | - | - | - | - | 110 |
| Total income | 272 | - | - | (3) | - | 269 |
| 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) |
| Total expenses | (214) | - | (1) | - | (5) | (220) |
| 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 |
| Key metrics | | | | | | |
| Net interest margin | 3.41% | | | | | 3.34% |
| Cost:income ratio | 79% | | | | | 82% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 81% |

| | Private Banking £bn |
|---|---------------------|
| 30 June 2013 | |
| Capital and balance sheet | |
| 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

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

| Capital and balance sheet | 31 March 2014 | | |
|---|---------------------|--------------------|-------|
| | Previously reported | Commercial Banking | CIB |
| | £bn | £bn | £bn |
| 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

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

| Capital and balance sheet | 31 December 2013 | | |
|---|---------------------|--------------------|-------|
| | Previously reported | Commercial Banking | CIB |
| | £bn | £bn | £bn |
| 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% |
| Risk-weighted assets | 49.0 | 0.3 | 48.7 |

Notes:

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

International Banking

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

| Capital and balance sheet | 30 June 2013 | | |
|---|---------------------|--------------------|-------|
| | Previously reported | Allocated to | |
| | £bn | Commercial Banking | CIB |
| | | £bn | £bn |
| 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

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

| Capital and balance sheet | 30 June 2013 | | |
|---|---------------------|--------------------|-------|
| | Previously reported | Commercial Banking | CIB |
| | £bn | £bn | £bn |
| 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.

Ulster Bank

| | Quarter ended 31 March 2014 | | | | | 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 | |
| Income statement | | | | | | |
| Net interest income | 159 | - | - | (5) | - | 154 |
| Non-interest income | 47 | - | - | - | - | 47 |
| Total income | 206 | - | - | (5) | - | 201 |
| Direct expenses | | | | | | |
| - staff | (63) | - | - | - | - | (63) |
| - other | (17) | - | - | - | - | (17) |
| Indirect expenses | (62) | - | (1) | - | - | (63) |
| Restructuring costs | | | | | | |
| - indirect | - | - | - | - | (2) | (2) |
| Total expenses | (142) | - | (1) | - | (2) | (145) |
| Operating profit before impairment losses | 64 | - | (1) | (5) | (2) | 56 |
| Impairment losses | (47) | - | - | - | - | (47) |
| Operating profit | 17 | - | (1) | (5) | (2) | 9 |
| Memo: operating profit - adjusted (1) | | | | | | 11 |
| Key metrics | | | | | | |
| Net interest margin | 2.36% | | | | | 2.29% |
| Cost:income ratio | 69% | | | | | 72% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 71% |

| | Ulster Bank £bn |
|---|--------------------|
| 31 March 2014 | |
| Capital and balance sheet | |
| Loans and advances to customers (gross) | 26.6 |
| Loan impairment provisions | (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 | | | | | | |
|---|---------------------|------------------------------|-----------------------------|--|---|---------------------|
| | Previously reported | Transfer to/(from) Functions | Transfer to/(from) Services | Net impact of revised Treasury allocations | Reclassification of one-off and other items | Revised Ulster Bank |
| | £m | £m | £m | £m | £m | £m |
| Income statement | | | | | | |
| Net interest income | 631 | - | - | (12) | - | 619 |
| Non-interest income | 240 | - | - | - | - | 240 |
| Total income | 871 | - | - | (12) | - | 859 |
| 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) |
| Total expenses | (554) | (11) | - | - | (129) | (694) |
| Operating profit before impairment losses | 317 | (11) | - | (12) | (129) | 165 |
| Impairment losses | (1,774) | - | - | - | - | (1,774) |
| Operating loss | (1,457) | (11) | - | (12) | (129) | (1,609) |
| Memo: operating loss - adjusted (1) | | | | | | (1,480) |
| Key metrics | | | | | | |
| 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 |
| Capital and balance sheet | |
| 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 | | | | | | |
|---|---------------------|------------------------------|-----------------------------|--|---|---------------------|
| | Previously reported | Transfer to/(from) Functions | Transfer to/(from) Services | Net impact of revised Treasury allocations | Reclassification of one-off and other items | Revised Ulster Bank |
| | £m | £m | £m | £m | £m | £m |
| Income statement | | | | | | |
| Net interest income | 308 | - | - | (6) | - | 302 |
| Non-interest income | 142 | - | - | - | - | 142 |
| Total income | 450 | - | - | (6) | - | 444 |
| 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) |
| Total expenses | (276) | - | - | - | (46) | (322) |
| Operating profit before impairment losses | 174 | - | - | (6) | (46) | 122 |
| Impairment losses | (503) | - | - | - | - | (503) |
| Operating loss | (329) | - | - | (6) | (46) | (381) |
| Memo: operating loss - adjusted (1) | | | | | | (335) |
| Key metrics | | | | | | |
| 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 |
|---|--------------------|
| Capital and balance sheet | |
| 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.

Ulster Bank

| 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 | Revised Ulster Bank |
| | £m | £m | £m | £m | £m | £m |
| Income statement | | | | | | |
| Net interest income | 154 | - | - | (2) | - | 152 |
| Non-interest income | 88 | - | - | - | - | 88 |
| Total income | 242 | - | - | (2) | - | 240 |
| 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) |
| Total expenses | (144) | - | - | - | (43) | (187) |
| Operating profit before impairment losses | 98 | - | - | (2) | (43) | 53 |
| Impairment losses | (263) | - | - | - | - | (263) |
| Operating loss | (165) | - | - | (2) | (43) | (210) |
| Memo: operating loss - adjusted (1) | | | | | | (167) |
| Key metrics | | | | | | |
| 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 |
| Capital and balance sheet | |
| 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 £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 | |
| Income statement | | | | | | |
| Net interest income | 488 | - | - | - | - | 488 |
| Non-interest income | 229 | - | - | - | - | 229 |
| Total income | 717 | - | - | - | - | 717 |
| Direct expenses | | | | | | |
| - staff | (251) | - | - | - | - | (251) |
| - other | (249) | - | - | - | - | (249) |
| Total expenses | (500) | - | - | - | - | (500) |
| Operating profit before impairment losses | 217 | - | - | - | - | 217 |
| Impairment losses | (73) | - | - | - | - | (73) |
| Operating profit | 144 | - | - | - | - | 144 |
| Key metrics | | | | | | |
| Net interest margin | 2.94% | | | | | 2.94% |
| Cost:income ratio | 70% | | | | | 70% |

| | CFG £bn |
|---|------------|
| 31 March 2014 | |
| Capital and balance sheet | |
| Loans and advances to customers (gross) | 53.2 |
| Loan impairment provisions | (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 £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 | |
| Income statement | | | | | | |
| Net interest income | 1,916 | - | - | (24) | - | 1,892 |
| Non-interest income | 1,073 | - | - | - | - | 1,073 |
| Total income | 2,989 | - | - | (24) | - | 2,965 |
| Direct expenses | | | | | | |
| - staff | (1,091) | - | - | - | - | (1,091) |
| - other | (984) | - | - | - | (2) | (986) |
| Indirect expenses | (111) | 5 | (5) | - | - | (111) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (16) | (16) |
| Total expenses | (2,186) | 5 | (5) | - | (18) | (2,204) |
| Operating profit before impairment losses | 803 | 5 | (5) | (24) | (18) | 761 |
| Impairment losses | (156) | - | - | - | - | (156) |
| Operating profit | 647 | 5 | (5) | (24) | (18) | 605 |
| Memo: operating profit - adjusted (1) | | | | | | 621 |
| Key metrics | | | | | | |
| Net interest margin | 2.95% | | | | | 2.91% |
| Cost:income ratio | 73% | | | | | 74% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 74% |

| | CFG £bn |
|---|------------|
| 31 December 2013 | |
| Capital and balance sheet | |
| 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 | | | | | | | |
|---|----------------------------------|---------------------------------|--------------------------------|---|--|--|---------|
| | 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 | | CFG £m |
| Income statement | | | | | | | |
| Net interest income | 944 | - | - | (5) | - | | 939 |
| Non-interest income | 570 | - | - | - | - | | 570 |
| Total income | 1,514 | - | - | (5) | - | | 1,509 |
| Direct expenses | | | | | | | |
| - staff | (572) | - | - | - | - | | (572) |
| - other | (481) | - | - | - | (1) | | (482) |
| Indirect expenses | (47) | 1 | (2) | - | - | | (48) |
| Restructuring costs | | | | | | | |
| - direct | - | - | - | - | (3) | | (3) |
| Total expenses | (1,100) | 1 | (2) | - | (4) | | (1,105) |
| Operating profit before impairment losses | 414 | 1 | (2) | (5) | (4) | | 404 |
| Impairment losses | (51) | - | - | - | - | | (51) |
| Operating profit | 363 | 1 | (2) | (5) | (4) | | 353 |
| Memo: operating profit - adjusted (1) | | | | | | | 356 |
| Key metrics | | | | | | | |
| Net interest margin | 2.92% | | | | | | 2.90% |
| Cost:income ratio | 73% | | | | | | 73% |
| Cost:income ratio - adjusted (1) | n/a | | | | | | 73% |

| | CFG £bn |
|---|---------|
| 30 June 2013 | |
| Capital and balance sheet | |
| 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 £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 | |
| Income statement | | | | | | |
| Net interest income | 473 | - | - | (4) | - | 469 |
| Non-interest income | 278 | - | - | - | - | 278 |
| Total income | 751 | - | - | (4) | - | 747 |
| Direct expenses | | | | | | |
| - staff | (286) | - | - | - | - | (286) |
| - other | (233) | - | - | - | - | (233) |
| Indirect expenses | (26) | - | (1) | - | - | (27) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (2) | (2) |
| Total expenses | (545) | - | (1) | - | (2) | (548) |
| Operating profit before impairment losses | 206 | - | (1) | (4) | (2) | 199 |
| Impairment losses | (32) | - | - | - | - | (32) |
| Operating profit | 174 | - | (1) | (4) | (2) | 167 |
| Memo: operating profit - adjusted (1) | | | | | | 169 |
| Key metrics | | | | | | |
| Net interest margin | 2.91% | | | | | 2.89% |
| Cost:income ratio | 73% | | | | | 73% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 73% |

| | CFG £bn |
|---|------------|
| 30 June 2013 | |
| Capital and balance sheet | |
| 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 \$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 | |
| Income statement | | | | | | |
| Net interest income | 809 | - | - | - | - | 809 |
| Non-interest income | 378 | - | - | - | - | 378 |
| Total income | 1,187 | - | - | - | - | 1,187 |
| Direct expenses | | | | | | |
| - staff | (416) | - | - | - | - | (416) |
| - other | (412) | - | - | - | - | (412) |
| Total expenses | (828) | - | - | - | - | (828) |
| Operating profit before impairment losses | 359 | - | - | - | - | 359 |
| Impairment losses | (121) | - | - | - | - | (121) |
| Operating profit | 238 | - | - | - | - | 238 |
| Key metrics | | | | | | |
| Net interest margin | 2.94% | | | | | 2.94% |
| Cost:income ratio | 70% | | | | | 70% |

| | CFG \$bn |
|---|-------------|
| 31 March 2014 | |
| Capital and balance sheet | |
| 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 | |
| Income statement | | | | | | |
| Net interest income | 2,998 | - | - | (38) | - | 2,960 |
| Non-interest income | 1,679 | - | - | - | - | 1,679 |
| Total income | 4,677 | - | - | (38) | - | 4,639 |
| Direct expenses | | | | | | |
| - staff | (1,707) | - | - | - | - | (1,707) |
| - other | (1,540) | - | - | - | (4) | (1,544) |
| Indirect expenses | (174) | 8 | (7) | - | - | (173) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (24) | (24) |
| Total expenses | (3,421) | 8 | (7) | - | (28) | (3,448) |
| Operating profit before impairment losses | 1,256 | 8 | (7) | (38) | (28) | 1,191 |
| Impairment losses | (244) | - | - | - | - | (244) |
| Operating profit | 1,012 | 8 | (7) | (38) | (28) | 947 |
| Memo: operating profit - adjusted (1) | | | | | | 971 |
| Key metrics | | | | | | |
| Net interest margin | 2.95% | | | | | 2.91% |
| Cost:income ratio | 73% | | | | | 74% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 74% |

| | CFG \$bn |
|---|-------------|
| 31 December 2013 | |
| Capital and balance sheet | |
| 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 \$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 | |
| Income statement | | | | | | |
| Net interest income | 1,457 | - | - | (8) | - | 1,449 |
| Non-interest income | 881 | - | - | - | - | 881 |
| Total income | 2,338 | - | - | (8) | - | 2,330 |
| Direct expenses | | | | | | |
| - staff | (883) | - | - | - | - | (883) |
| - other | (744) | - | - | - | - | (744) |
| Indirect expenses | (73) | 2 | (3) | - | - | (74) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (5) | (5) |
| Total expenses | (1,700) | 2 | (3) | - | (5) | (1,706) |
| Operating profit before impairment losses | 638 | 2 | (3) | (8) | (5) | 624 |
| Impairment losses | (78) | - | - | - | - | (78) |
| Operating profit | 560 | 2 | (3) | (8) | (5) | 546 |
| Memo: operating profit - adjusted (1) | | | | | | 551 |
| Key metrics | | | | | | |
| Net interest margin | 2.92% | | | | | 2.90% |
| Cost:income ratio | 73% | | | | | 73% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 73% |

| | CFG \$bn |
|---|-------------|
| 30 June 2013 | |
| Capital and balance sheet | |
| 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% |
| Risk-weighted assets | 88.4 |

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 \$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 | |
| Income statement | | | | | | |
| Net interest income | 726 | - | - | (6) | - | 720 |
| Non-interest income | 428 | - | - | - | - | 428 |
| Total income | 1,154 | - | - | (6) | - | 1,148 |
| Direct expenses | | | | | | |
| - staff | (439) | - | - | - | - | (439) |
| - other | (360) | - | - | - | 1 | (359) |
| Indirect expenses | (39) | - | (1) | - | - | (40) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (3) | (3) |
| Total expenses | (838) | - | (1) | - | (2) | (841) |
| Operating profit before impairment losses | 316 | - | (1) | (6) | (2) | 307 |
| Impairment losses | (48) | - | - | - | - | (48) |
| Operating profit | 268 | - | (1) | (6) | (2) | 259 |
| Memo: operating profit - adjusted (1) | | | | | | 262 |
| Key metrics | | | | | | |
| Net interest margin | 2.91% | | | | | 2.89% |
| Cost:income ratio | 73% | | | | | 73% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 73% |

| | CFG \$bn |
|---|-------------|
| 30 June 2013 | |
| Capital and balance sheet | |
| 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% |
| Risk-weighted assets | 88.4 |

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 | | |
| Income statement | | | | | | | |
| Net interest income | 48 | - | - | (47) | - | | 1 |
| Non-interest income | 909 | - | - | - | - | | 909 |
| Total income | 957 | - | - | (47) | - | | 910 |
| 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) |
| Total expenses | (637) | 8 | (5) | - | (47) | | (681) |
| Operating profit before impairment losses | 320 | 8 | (5) | (47) | (47) | | 229 |
| Impairment losses | (2) | - | - | - | - | | (2) |
| Operating profit | 318 | 8 | (5) | (47) | (47) | | 227 |
| Memo: operating profit - adjusted (1) | | | | | | | 272 |
| Key metrics | | | | | | | |
| Net interest margin | 0.66% | | | | | | 0.01% |
| Cost:income ratio | 67% | | | | | | 75% |
| Cost:income ratio - adjusted (1) | n/a | | | | | | 70% |

| | Allocated to CIB £bn |
|---|-------------------------|
| 31 March 2014 | |
| Capital and balance sheet | |
| 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% |
| Risk-weighted assets | 87.4 |

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 | |
| Income statement | | | | | | |
| Net interest income | 159 | - | - | (259) | - | (100) |
| Non-interest income | 3,163 | - | - | - | - | 3,163 |
| Total income | 3,322 | - | - | (259) | - | 3,063 |
| 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) |
| Total expenses | (2,610) | (46) | (212) | - | (2,807) | (5,675) |
| Operating profit/(loss) before impairment losses | 712 | (46) | (212) | (259) | (2,807) | (2,612) |
| Impairment losses | (92) | - | - | - | - | (92) |
| Operating profit/(loss) | 620 | (46) | (212) | (259) | (2,807) | (2,704) |
| Memo: operating loss - adjusted (1) | | | | | | (171) |
| Key metrics | | | | | | |
| Net interest margin | 0.48% | | | | | (0.31%) |
| Cost:income ratio | 79% | | | | | 185% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 103% |

| | Allocated to CIB £bn |
|---|-------------------------|
| 31 December 2013 | |
| 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 | | | | | | |
|--|---------------------------|---------------------------------------|--------------------------------------|---|---|---------------------------|
| Income statement | 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 | Allocated to CIB £m |
| Net interest income | 56 | - | - | (151) | - | (95) |
| Non-interest income | 1,806 | - | - | - | - | 1,806 |
| Total income | 1,862 | - | - | (151) | - | 1,711 |
| 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) |
| Total expenses | (1,432) | (4) | (5) | - | (515) | (1,956) |
| Operating profit/(loss) before impairment losses | 430 | (4) | (5) | (151) | (515) | (245) |
| Impairment losses | (59) | - | - | - | - | (59) |
| Operating profit/(loss) | 371 | (4) | (5) | (151) | (515) | (304) |
| Memo: operating profit - adjusted (1) | | | | | | 148 |
| Key metrics | | | | | | |
| Net interest margin | 0.32% | | | | | (0.55%) |
| Cost:income ratio | 77% | | | | | 114% |
| Cost:income ratio - adjusted (1) | n/a | | | | | 88% |

| | | Allocated to CIB £bn |
|---|--|----------------------------|
| 30 June 2013 | | |
| Capital and balance sheet | | |
| 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 | | |
| Income statement | | | | | | | |
| Net interest income | 26 | - | - | (83) | - | | (57) |
| Non-interest income | 796 | - | - | - | - | | 796 |
| Total income | 822 | - | - | (83) | - | | 739 |
| 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) |
| Total expenses | (686) | 3 | (6) | - | (435) | | (1,124) |
| Operating profit/(loss) before impairment losses | 136 | 3 | (6) | (83) | (435) | | (385) |
| Impairment losses | (43) | - | - | - | - | | (43) |
| Operating profit/(loss) | 93 | 3 | (6) | (83) | (435) | | (428) |
| Memo: operating loss - adjusted (1) | | | | | | | (23) |
| Key metrics | | | | | | | |
| Net interest margin | 0.31% | | | | | | (0.69%) |
| Cost:income ratio | 83% | | | | | | 152% |
| Cost:income ratio - adjusted (1) | n/a | | | | | | 97% |

| | Allocated to CIB £bn |
|---|-------------------------|
| 30 June 2013 | |
| Capital and balance sheet | |
| 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.

Non-Core

| | Year ended 31 December 2013 | | | | | Revised Non-Core £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 | |
| Income statement | | | | | | |
| Net interest income | (61) | - | - | - | - | (61) |
| Non-interest income | (285) | - | - | - | - | (285) |
| Total income (1) | (346) | - | - | - | - | (346) |
| 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) |
| Total expenses | (605) | - | - | - | (22) | (627) |
| Operating loss before impairment losses | (951) | - | - | - | (22) | (973) |
| Impairment losses | (4,576) | - | - | - | - | (4,576) |
| Operating loss | (5,527) | - | - | - | (22) | (5,549) |
| Memo: operating loss - adjusted (2) | | | | | | (5,527) |
| Key metrics | | | | | | |
| Net interest margin | (0.19%) | - | - | - | - | (0.19%) |

| 31 December 2013 | Non-Core £bn |
|---|-----------------|
| Capital and balance sheet (3) | |
| 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 £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 | |
| Income statement | | | | | | |
| Net interest income | 2 | - | - | - | - | 2 |
| Non-interest income | 364 | - | - | - | - | 364 |
| Total income (1) | 366 | - | - | - | - | 366 |
| Direct expenses | | | | | | |
| - staff | (109) | - | - | - | - | (109) |
| - other | (106) | 1 | 1 | - | - | (104) |
| Indirect expenses | (106) | (1) | (1) | - | - | (108) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (21) | (21) |
| - indirect | - | - | - | - | (2) | (2) |
| Total expenses | (321) | - | - | - | (23) | (344) |
| Operating profit before impairment losses | 45 | - | - | - | (23) | 22 |
| Impairment losses | (831) | - | - | - | - | (831) |
| Operating loss | (786) | - | - | - | (23) | (809) |
| Memo: operating loss - adjusted (2) | | | | | | (786) |
| Key metrics | | | | | | |
| Net interest margin | (0.06%) | - | - | - | - | (0.06%) |

| | Non-Core £bn |
|---|-----------------|
| 30 June 2013 | |
| Capital and balance sheet (3) | |
| 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 £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 | |
| Income statement | | | | | | |
| Net interest income | 30 | - | - | - | - | 30 |
| Non-interest income | 243 | - | - | - | - | 243 |
| Total income (1) | 273 | - | - | - | - | 273 |
| Direct expenses | | | | | | |
| - staff | (51) | - | - | - | - | (51) |
| - other | (51) | 1 | 1 | - | - | (49) |
| Indirect expenses | (54) | (1) | (1) | - | - | (56) |
| Restructuring costs | | | | | | |
| - direct | - | - | - | - | (1) | (1) |
| - indirect | - | - | - | - | (2) | (2) |
| Total expenses | (156) | - | - | - | (3) | (159) |
| Operating profit before impairment losses | 117 | - | - | - | (3) | 114 |
| Impairment losses | (398) | - | - | - | - | (398) |
| Operating loss | (281) | - | - | - | (3) | (284) |
| Memo: operating loss - adjusted (2) | | | | | | (281) |
| Key metrics | | | | | | |
| Net interest margin | 0.15% | - | - | - | - | 0.15% |

| | Non-Core £bn |
|---|-----------------|
| 30 June 2013 | |
| Capital and balance sheet (3) | |
| 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 £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.