TSB BANKING GROUP PLC
UNAUDITED RESULTS FOR THE THREE MONTHS TO 30 SEPTEMBER 2014

FINANCIAL AND OPERATIONAL SUMMARY

	3 months to 30 Sept 2014 £ million	3 months to 30 June 2014 £ million	***Change***
Profit before tax (management basis)	**41.6**	31.6	***31.6%***
Profit before tax (statutory basis)	**33.1**	25.7	***28.8%***
Franchise banking net interest margin(1)(8)	**3.61%**	3.60%	***1 bps***
Group asset quality ratio (AQR)(2)(8)	**0.41%**	0.42%	***1 bps***
Franchise loan to deposit ratio	**78.9%**	81.8%	***(2.9)pp***
Pro forma Common Equity Tier 1 Capital ratio (fully loaded)(3)	**18.8%**	18.2%	***0.6 pp***
	3 months to 30 Sept 2014	3 months to 30 June 2014	
Share of new personal current account openings(4)	**9.7%(5)**	9.2%(6)	***0.5pp***
Customer advocacy – net promoter score (NPS)(7)	**1**	(5)	

(1)-(8) - see notes on page 3.

- TSB generated a Q3 2014 management profit before tax of £41.6m (Franchise: £20.7m; Mortgage Enhancement: £20.9m) and a statutory profit before tax of £33.1m.
- Franchise banking net interest margin remained stable at 3.61%.
- The Group's AQR of 41 basis points reflects the continuing improvement in the economic environment and the quality of the loan book.
- Share of current account gross flow in the quarter of 9.7%(4)(5), above the long term target of 6%.
- TSB remains strongly capitalised with a pro forma fully loaded Common Equity Tier 1 capital ratio of 18.8%.
- The build of TSB's mortgage intermediary capability remains on track for delivery in Q1 2015.
- LBG shareholding down to 50% and TSB has joined the FTSE 250 Index.

"While we have always been clear that we are on a five year journey to grow TSB and its returns, it's great to see people right across Britain continuing to vote with their feet for TSB's local banking model.

Nearly 1 in 10 of all customers who opened new bank accounts or switched during the last quarter chose TSB – this is well ahead of our long term target and is testament to the great service our TSB Partners continue to deliver.

The strong current account performance is one of the factors that has enabled us to grow our customer deposits by £0.5bn to £24.2bn. Meanwhile our plans to enable customers across Britain to buy a TSB mortgage from their local mortgage broker from Q1 2015 remain on track.

I thank all TSB customers and Partners for continuing to reinforce TSB as Britain's challenger bank."

Paul Pester (Chief Executive Officer)

BASIS OF PRESENTATION

This statement presents the consolidated results of TSB Banking Group plc and its subsidiaries (the Group) for the three months to 30 September 2014.

Management basis

In order to present a more meaningful view of business performance, the Group's results for the three months to 30 September 2014 are presented on a management basis which excludes volatility arising from derivatives. Statutory results are set out on pages 6 and 7 and a reconciliation of the management basis to the statutory basis is set out on page 9.

Comparison periods

A number of factors have had a significant effect on the comparability of the Group's financial position and results with those of the prior periods. As a result, comparison of the results for the three months to 30 September 2014 with the three months to 30 September 2013 is of limited benefit. Therefore, unless otherwise stated, income statement commentaries throughout this document compare the three months to 30 September 2014 to the three months to 30 June 2014 and the balance sheet analysis compares the balance sheet as at 30 September 2014 to the balance sheet as at 30 June 2014.

Reporting Segments

TSB is a provider of retail banking services in Britain and is organised, managed and reported across two business streams:

- Franchise, the Group's multi-channel retail banking business; and
- Mortgage Enhancement, a mortgage loan portfolio that was assigned to the Group by Lloyds Banking Group with effect from 28 February 2014 in response to a review by the Office of Fair Trading of the effect on competition of the divestment of TSB.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of the TSB Banking Group, its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Group or the Group's management's beliefs and expectations are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances that will or may occur. The Group's actual future business, strategy, plans and/or results may differ materially from those expressed or implied in these forward looking statements as a result of a variety of factors, including, but not limited to, UK domestic and global economic and business conditions; the ability to access sufficient funding to meet the Group's liquidity needs; risks concerning borrower or counterparty credit quality; instability in the global financial markets, including Eurozone instability and the impact of any sovereign credit rating downgrade or other sovereign financial issues; market-related risks including changes in interest rates and exchange rates; changing demographics and market-related trends; changes in customer preferences; changes to laws, regulation, accounting standards or taxation, including changes to regulatory capital or liquidity requirements; the policies and actions of governmental or regulatory authorities in the UK or the European Union or other jurisdictions in which the Group operates; the implementation of the Recovery and Resolution Directive and banking reform following the recommendations made by the Independent Commission on Banking; the ability to attract and retain senior management and other employees; the extent of any future impairment charges or write-downs caused by depressed asset valuations, market disruptions and illiquid markets; the effects of competition and the actions of competitors, including non-bank financial services and lending companies; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints and other factors. The forward looking statements contained in this announcement are made as at the date of this announcement and the Group undertakes no obligation to update any of its forward looking statements.

SUMMARY RESULTS
BALANCE SHEET METRICS AND KEY RATIOS

	At 30 Sept 2014 £ million	At 30 June 2014 £ million	***Change %***	At 31 Dec 2013 £ million
Loans and advances to customers:	**22,016.2**	22,493.4	***(2.1)***	20,099.1
Franchise	**19,063.1**	19,381.8	***(1.6)***	20,099.1
Mortgage Enhancement	**2,953.1**	3,111.6	***(5.1)***	-
Customer deposits	**24,157.6**	23,700.4	***1.9***	23,100.4
Group loan to deposit ratio	**91.1%**	94.9%	***(3.8)pp***	87.0%
Franchise loan to deposit ratio	**78.9%**	81.8%	***(2.9)pp***	87.0%
Net asset book value per share (pence)	**327p**	322p	***1.6***	261p
Common Equity Tier 1 Capital ratio (fully loaded)	**29.3%**	28.1%	***1.2pp***	19.0%
Pro forma Common Equity Tier 1 Capital ratio (fully loaded)[3]	**18.8%**	18.2%	***0.6pp***	
Leverage ratio (fully loaded)	**5.9%**	5.9%	***-***	4.6%

CONSOLIDATED INCOME STATEMENT

	3 months to 30 Sept 2014 £ million	3 months to 30 June 2014 £ million	***Change %***	**9 months to 30 Sept 2014 £ million**
Net interest income	**199.3**	201.6	***(1.1)***	**589.9**
Other income	**33.2**	34.5	***(3.8)***	**105.8**
Total income	**232.5**	236.1	***(1.5)***	**695.7**
Operating expenses	**(167.9)**	(180.7)	***7.1***	**(501.4)**
Impairment	**(23.0)**	(23.8)	***3.4***	**(74.1)**
Profit before taxation (management basis)	**41.6**	31.6	***31.6***	**120.2**
(Loss)/gain on derivatives and hedge accounting	**(2.9)**	0.8		**(2.7)**
Derivative fair value unwind	**(5.6)**	(6.7)		**(19.6)**
Defined benefit pension scheme settlement gain	**-**	-		**63.7**
Statutory profit before taxation	**33.1**	25.7	***28.8***	**161.6**
Taxation	**(7.2)**	(5.6)	***(28.6)***	**(33.9)**
Statutory profit for the period	**25.9**	20.1	***28.9***	**127.7**
Group banking net interest margin[(1)(8)]	**3.54%**	3.54%	***-***	**3.56%**
Franchise banking net interest margin[(1)(8)]	**3.61%**	3.60%	***1bps***	**3.62%**
Group management basis cost:income ratio	**72.2%**	76.5%	***(4.3)pp***	**72.1%**
Group asset quality ratio[(2)(8)]	**0.41%**	0.42%	***1bps***	**0.45%**

OTHER KEY PERFORMANCE INDICATORS

	Quarter to 30 Sept 2014	Quarter to 30 June 2014	***Change***
Mortgage gross lending (£ million)	**397.8**	355.8	***11.8%***
Share of new personal current account openings[(4)]	**9.7%[(5)]**	9.2%[(6)]	***0.5pp***
Customer advocacy – net promoter score (NPS)[(7)]	**1**	(5)	

(1) Management net interest income divided by average loans and advances to customers, gross of impairment provisions.
(2) Impairment charge on loans and advances to customers divided by average loans and advances to customers, gross of impairment allowance.
(3) Pro forma is calculated on a full IRB basis for Franchise credit exposures and operational RWA calculated on a steady state income basis (rather than on an historic 3 year position).
(4) Source: CACI Current Account and Savings Market Database (CSDB) which includes current, packaged, youth, student and basic bank accounts, and new account openings excluding account upgrades.
(5) Data Presented on a two month lag, i.e. covers the three months from May to July 2014
(6) Data Presented on a two month lag, i.e. covers the three months from Feb to April 2014
(7) NPS is based on the question “On a scale of 0-10, where 0 is not at all likely and 10 is extremely likely, how likely is it that you would recommend TSB to a friend or colleague?” NPS is the percentage of TSB customers who score 9-10 after subtracting the percentage who score 0-6.
(8) Annualised.

STRATEGIC UPDATE

In the third quarter of 2014 TSB's strategic progress remained on track, with a continuing focus on the three key components of our growth strategy.

Growing current accounts

In the three months from May to July, TSB opened 9.7% per cent of all new and switching current accounts across the market as measured by CACI (see footnotes 4 and 5 on page 3). This strong performance was primarily a result of the continued strong take up of our 'Classic Plus' current account, which we launched on 31 March, and the supporting media and advertising campaign. The success of the product and campaign helped grow our customer deposits by £0.5 billion to £24.2 billion in the third quarter. Now that the initial launch campaign has ended we would expect that, over time, our share of flow will fall back to our long term target of 6%.

Growing customer lending

As expected given the absence of a mortgage intermediary distribution channel, net lending to TSB's Franchise customers reduced by a further £0.3 billion to £19.1 billion in the third quarter of 2014.

The mortgage intermediary channel remains on track to launch in Q1 2015. We expect to begin testing our new distribution platform in December ready to receive the first mortgage applications through the intermediary channel in January 2015.

We launched our 'Borrow Well' marketing campaign, promoting TSB as a responsible lender and a destination for customers who would like a mortgage or a personal loan. We also launched a new mortgage campaign, which offers to pay customers' council tax bill for a year up to £2,500. Initial customer reaction to both campaigns is positive, reflected in our brand's mortgage consideration score improving to 9 per cent, from 4 per cent in December 2013*.

Enhancing and differentiating the TSB proposition

We have further improved our market-leading online and mobile banking service, including the launch of our new 'TSB.co.uk' website. This is designed to be simple to use whether accessed on a mobile phone, tablet or PC.

Reinforcing our commitment to digital, we believe we are the first UK bank to appoint a Chief Digital Officer (CDO) to a Bank's Executive Committee as a direct report of the CEO. Our new CDO, Ashley Machin, brings a deep knowledge of digital banking, having been Lloyds Banking Group's Managing Director of Digital and through advising the UK government from his membership of its Digital Advisory Board.

At the same time as we develop our digital proposition we also continue to enhance our branch distribution channel. We have refreshed 135 branches so far in 2014 and expect to have refreshed over 260 by the end of the year.

Finally, it is encouraging to see that our efforts to differentiate our customer service are starting to be recognised. In a recent survey by Which? magazine on the customer service provided by UK brands, TSB was the only high street bank to be ranked in the top quartile**. Our progress is also evident from a six point increase in our customer Net Promoter Score (NPS) which turned positive for the first time this quarter.

Summary

While it remains a five year journey, TSB continues to build on the strong start to life as an independent listed business. Our performance has been in line with expectations and reinforces our credentials as Britain's Challenger Bank.

* © GfK NOP Ltd, Financial Research Survey (FRS) 6 months ending December 2013 and September 2014. 456 adults considering a mortgage in the next 12 months were interviewed for each 6 month period. Results show percentage who would consider TSB.

** 'Which?' Magazine Oct 2014: 'Best and worst Brands for customer service' survey article – TSB ranked joint 22nd with a customer service score of 76%.

BUSINESS REVIEW

REVIEW OF THE BALANCE SHEET

Customer loans and advances

Loans and advances to customers decreased by 2.1 per cent, or £477 million compared to June 2014. While retail secured and unsecured markets remained competitive this reduction primarily reflected a continuation of recent trends where repayments on the Franchise mortgage portfolio, which was originated through both direct and intermediary channels, continued to exceed new loan origination which is currently limited to sales from direct channels. This trend is expected to continue for the remainder of 2014 before the intermediary channel is operational from Q1 2015. The Mortgage Enhancement portfolio declined by £159 million, or 5.1 per cent, and while slightly faster than anticipated, is not expected to affect the generation of a cumulative £230 million of profit before tax.

Impairments on loans and advances

Impaired loans as a percentage of loans and advances to customers remained unchanged at 1.0 per cent (30 June 2014: 1.0 per cent). Impairment coverage as defined by impairment provisions as a percentage of impaired loans was also stable at 41.6 per cent (30 June 2014: 41.6 per cent). A slight decrease in secured coverage, reflecting house price increases and lower flows to default and repossession, was primarily offset by an increase in unsecured coverage, from an extension of the loss emergence period.

Funding and Liquidity

The strength of the TSB brand and franchise in attracting customers and deposits is reflected in an increase in customer deposits of 1.9 per cent to £24,158 million. As a result, the loan to deposit ratio decreased to 91.1 per cent (30 June 2014: 94.9 per cent). During the quarter, the Group repaid £240 million of funding from LBG under the Cape Funding No 1 securitisation programme leaving a drawn balance at 30 September of £10 million.

Capital management

The underlying capital strength of the Group improved again during the quarter with the pro forma Common Equity Tier 1 (CET1) Capital ratio increasing to 18.8 per cent (30 June 2014: 18.2 per cent) and the reported CET1 capital ratio increasing to 29.3 per cent (30 June 2014: 28.1 per cent). This is primarily a result of profits generated in the third quarter and a reduction in credit risk weighted assets on lower lending balances. Consistent with the Group's position at 30 June 2014, the Franchise mortgages portfolio continues to be calculated on an IRB basis with all other customer loan portfolio RWAs calculated on a standardised basis. Good progress has been made on the plans to migrate the personal unsecured loan portfolios to an IRB basis. The unsecured loan portfolio is now expected to migrate before the end of the year with credit card and personal current account portfolios expected to migrate by summer 2015.

REVIEW OF FINANCIAL PERFORMANCE

Group profit before tax on a management basis in the 3 months to 30 September 2014 of £41.6 million was 31.6 per cent higher than the three months to 30 June 2014 as marginally lower income was more than offset by lower impairment and lower costs (the previous quarter having included the full year FSCS Levy).

Net interest income was marginally lower at £199.3 million compared to the previous quarter reflecting lower loan balances. Group and Franchise banking net interest margins were stable at 3.54 per cent and 3.61 per cent respectively for the quarter. Other income decreased by 3.8 per cent to £33.2 million reflecting the recognition in the Mortgage Enhancement segment of a full quarter of fees under the Cape Funding programme which commenced in June 2014. Franchise other income remained broadly stable quarter on quarter.

Operating expenses were 7.1 per cent lower at £167.9 million. However, excluding the cost of the full year FSCS levy of £17.3 million recognised in Q2 2014, underlying operating expenses increased by 2.8 per cent reflecting the ongoing establishment of the Group's support functions and higher investment spend. Costs are expected to be around £700 million for the full year which reflects the continued ramp up, with 50 per cent of our intermediary headcount now in role and investment spend that is disproportionately weighted to Q4.

The impairment charge for the three months to 30 September 2014 decreased by £0.8 million, or 3.4 per cent, to £23.0 million. The positive underlying impact of the improved housing market and reduction in unemployment rates is partially offset by the aforementioned extension of the loss emergence period in our unsecured portfolio. The Group AQR has remained broadly stable at 0.41 per cent (Q2 2014: 0.42 per cent).

APPENDIX 1

STATUTORY CONSOLIDATED BALANCE SHEET (UNAUDITED)

Assets	**At 30 Sept 2014 £ million**	At 30 June 2014 £ million	At 31 Dec 2013 £ million
Cash and balances at central banks	**3,813.1**	3,041.2	200.2
Items in course of collection from banks	**220.2**	315.9	116.2
Loans and receivables:			
Loans and advances to banks	**136.5**	150.7	4,124.7
Loans and advances to customers	**22,016.2**	22,493.4	20,099.1
	22,152.7	22,644.1	24,223.8
Derivative financial instruments	**69.4**	66.2	99.4
Property, plant and equipment	**137.3**	120.1	122.6
Deferred tax assets	**114.0**	117.8	138.0
Other assets	**147.8**	164.3	54.2
Total assets	**26,654.5**	26,469.6	24,954.4
Liabilities			
Deposits from banks	**3.3**	17.9	234.7
Customer deposits	**24,157.6**	23,700.4	23,100.4
Items in course of transmission to banks	**212.6**	275.1	63.6
Derivative financial instruments	**51.1**	74.4	85.6
Debt securities in issue	**10.0**	250.2	1.4
Other liabilities	**175.9**	148.1	94.1
Retirement benefit obligations	**-**	-	64.3
Current tax liabilities	**13.5**	10.5	3.6
Subordinated liabilities	**397.1**	385.4	-
Total liabilities	**25,021.1**	24,862.0	23,647.7
Equity			
Share capital	**5.0**	5.0	0.1
Share premium	**965.1**	965.1	-
Merger reserve	**616.5**	616.5	-
Capital reorganisation reserve	**(1,311.6)**	(1,311.6)	74.9
Capital reserve	**410.0**	410.0	410.0
Retained profits	**948.4**	922.6	821.7
Shareholders' equity	**1,633.4**	1,607.6	1,306.7
Total equity and liabilities	**26,654.5**	26,469.6	24,954.4

APPENDIX 2

STATUTORY SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Income statement:	**9 months to 30 Sept 2014 £ million**	9 months to 30 Sept 2013 £ million
Interest and similar income	**734.6**	458.1
Interest and similar expense	**(167.4)**	(160.6)
Net interest income	**567.2**	297.5
Fee and commission income	**156.2**	105.2
Fee and commission expense	**(52.1)**	(30.9)
Net fee and commission income	**104.1**	74.3
Other operating income	**2.1**	1.5
Other income	**106.2**	75.8
Total income	**673.4**	373.3
Operating expenses:		
Defined benefit pension scheme settlement gain	**63.7**	-
Other operating expenses	**(501.4)**	(242.3)
	(437.7)	(242.3)
Trading surplus	**235.7**	131.0
Impairment	**(74.1)**	(56.3)
Profit before taxation	**161.6**	74.7
Taxation	**(33.9)**	100.8
Profit for the period	**127.7**	175.5
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Post retirement defined benefit scheme remeasurements before taxation	-	29.0
Taxation	-	(6.7)
Other comprehensive income for the period	-	22.3
Total comprehensive income for the period	**127.7**	197.8

APPENDIX 3

QUARTERLY RESULTS SUMMARY BY SEGMENT (UNAUDITED)

Group	Q3 14 £m	Q2 14 £m	Q1 14 £m	Q4 13 £m	Q3 13 £m	Q2 13 £m	Q1 13 £m
Net interest income	**199.3**	201.6	189.0	176.3	168.7	79.1	49.7
Other income	**33.2**	34.5	38.1	37.6	39.3	27.8	8.7
Total income	**232.5**	236.1	227.1	213.9	208.0	106.9	58.4
Operating expenses	**(167.9)**	(180.7)	(152.8)	(133.9)	(137.2)	(75.3)	(29.8)
Impairment	**(23.0)**	(23.8)	(27.3)	(24.0)	(32.2)	(20.8)	(3.3)
Profit before taxation (management basis)	**41.6**	31.6	47.0	56.0	38.6	10.8	25.3
(Loss)/gain on derivatives & hedge accounting	**(2.9)**	0.8	(0.6)	(39.3)	-	-	-
Derivative fair value unwind	**(5.6)**	(6.7)	(7.3)	(6.6)	-	-	-
Defined benefit pension scheme settlement gain	**-**	-	63.7	-	-	-	-
Statutory profit before taxation	**33.1**	25.7	102.8	10.1	38.6	10.8	25.3

Loans and advances to customers	**22,016.2**	22,493.4	23,039.3	20,099.1	20,446.1	7,838.4	6,014.6
Customer deposits	**24,157.6**	23,700.4	23,259.7	23,100.4	22.994.4	22,971.4	5,604.9
Group banking net interest margin(1)(8)	**3.54%**	3.54%	3.62%	3.43%	3.56%	4.47%	3.19%
Management basis cost:income ratio	**72.2%**	76.5%	67.3%	62.6%	66.0%	70.4%	51.0%
Group asset quality ratio(2)(8)	**0.41%**	0.42%	0.52%	0.47%	0.68%	1.17%	0.21%

Franchise	Q3 14 £m	Q2 14 £m	Q1 14 £m	Q4 13 £m	Q3 13 £m	Q2 13 £m	Q1 13 £m
Net interest income	**175.6**	176.7	179.8	176.3	168.7	79.1	49.7
Other income	**36.0**	36.0	38.5	37.6	39.3	27.8	8.7
Total income	**211.6**	212.7	218.3	213.9	208.0	106.9	58.4
Operating expenses	**(167.9)**	(180.7)	(152.8)	(133.9)	(137.2)	(75.3)	(29.8)
Impairment	**(23.0)**	(23.7)	(26.8)	(24.0)	(32.2)	(20.8)	(3.3)
Profit before taxation (management basis)	**20.7**	8.3	38.7	56.0	38.6	10.8	25.3

Loans and advances to customers	**19,063.1**	19,381.8	19,749.4	20,099.1	20,446.1	7,838.4	6,014.6
Customer deposits	**24,157.6**	23,700.4	23,259.7	23,100.4	22,994.4	22,971.4	5,604.9
Franchise banking net interest margin(1)(8)	**3.61%**	3.60%	3.64%	3.43%	3.56%	4.47%	3.19%

Mortgage Enhancement	Q3 14 £m	Q2 14 £m	Q1 14 £m	Q4 13 £m	Q3 13 £m	Q2 13 £m	Q1 13 £m
Net interest income	**23.7**	24.9	9.2	-	-	-	-
Other income	**(2.8)**	(1.5)	(0.4)	-	-	-	-
Total income	**20.9**	23.4	8.8	-	-	-	-
Operating expenses	**-**	-	-	-	-	-	-
Impairment	**-**	(0.1)	(0.5)	-	-	-	-
Profit before taxation (management basis)	**20.9**	23.3	8.3	-	-	-	-

Loans and advances to customers	**2,953.1**	3,111.6	3,289.9	-	-	-	-
Mortgage Enhancement banking net interest margin(1)(8)	**3.10%**	3.13%	3.25%	-	-	-	-

(1)-(8) - see notes on page 3.

APPENDIX 4

RECONCILIATION OF MANAGEMENT BASIS TO STATUTORY RESULTS (UNAUDITED)

The tables below set out the reconciliation of the management basis profit before taxation to the statutory results:

3 months to 30 Sept 2014	**Management Basis £ million**	**(Loss) / gain on Derivatives and Hedge Accounting £ million**	**Derivative Fair value Unwind £ million**	**Defined Benefit Pension Scheme Settlement Gain £ million**	**Statutory £ million**
Net interest income	**199.3**	**(6.7)**	**-**	**-**	**192.6**
Other income	**33.2**	**3.8**	**(5.6)**	**-**	**31.4**
Total income	**232.5**	**(2.9)**	**(5.6)**	**-**	**224.0**
Operating expenses	**(167.9)**	**-**	**-**	**-**	**(167.9)**
Impairment	**(23.0)**	**-**	**-**	**-**	**(23.0)**
Profit before taxation	**41.6**	**(2.9)**	**(5.6)**	**-**	**33.1**

3 months to 30 June 2014	£ million	£ million	£ million	£ million	£ million
Net interest income	201.6	(7.3)	-	-	194.3
Other income	34.5	8.1	(6.7)	-	35.9
Total income	236.1	0.8	(6.7)	-	230.2
Operating expenses	(180.7)	-	-	-	(180.7)
Impairment	(23.8)	-	-	-	(23.8)
Profit before taxation	31.6	0.8	(6.7)	-	25.7

9 months to 30 Sept 2014	**£ million**	**£ million**	**£ million**	**£ million**	**£ million**
Net interest income	**589.9**	**(22.7)**	**-**	**-**	**567.2**
Other income	**105.8**	**20.0**	**(19.6)**	**-**	**106.2**
Total income	**695.7**	**(2.7)**	**(19.6)**	**-**	**673.4**
Operating expenses	**(501.4)**	**-**	**-**	**63.7**	**(437.7)**
Impairment	**(74.1)**	**-**	**-**	**-**	**(74.1)**
Profit before taxation	**120.2**	**(2.7)**	**(19.6)**	**63.7**	**161.6**

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