

UNDERLYING BASIS – SEGMENTAL ANALYSIS

Half-year to 30 June 2017	Retail £m	Commercial Banking £m	Insurance and Wealth £m	Run-off and Central items £m	Group £m
Net interest income	4,182	1,518	72	153	5,925
Other income	1,146	951	939	312	3,348
Total income	5,328	2,469	1,011	465	9,273
Operating lease depreciation	(449)	(17)	–	(29)	(495)
Net income	4,879	2,452	1,011	436	8,778
Operating costs	(2,344)	(1,076)	(556)	(42)	(4,018)
Impairment	(265)	(13)	–	10	(268)
Underlying profit	2,270	1,363	455	404	4,492
Banking net interest margin	2.56%	3.57%			2.82%
Average interest-earning banking assets	£333.1bn	£86.1bn	£0.8bn	£10.9bn	£430.9bn
Asset quality ratio	0.16%	0.02%			0.12%
Return on risk-weighted assets	5.13%	3.11%			4.20%
Loans and advances to customers	£339.2bn	£97.0bn	£0.8bn	£16.2bn	£453.2bn
Customer deposits	£254.4bn	£147.3bn	£13.6bn	£1.3bn	£416.6bn
Risk-weighted assets	£92.6bn	£87.3bn	£1.7bn	£36.2bn	£217.8bn
2016	Retail £m	Commercial Banking £m	Insurance and Wealth £m	Run-off and Central items £m	Group £m
Net interest income	8,073	2,934	80	348	11,435
Other income	2,162	1,756	1,939	208	6,065
Total income	10,235	4,690	2,019	556	17,500
Operating lease depreciation	(775)	(105)	–	(15)	(895)
Net income	9,460	4,585	2,019	541	16,605
Operating costs	(4,748)	(2,189)	(1,046)	(110)	(8,093)
Impairment	(654)	(17)	–	26	(645)
Underlying profit	4,058	2,379	973	457	7,867
Banking net interest margin	2.47%	3.36%			2.71%
Average interest-earning banking assets	£334.5bn	£89.9bn	£0.8bn	£10.7bn	£435.9bn
Asset quality ratio	0.20%	0.02%			0.15%
Return on risk-weighted assets	4.85%	2.45%			3.55%
Loans and advances to customers	£330.8bn	£101.6bn	£0.8bn	£16.5bn	£449.7bn
Customer deposits	£256.5bn	£141.3bn	£13.8bn	£1.4bn	£413.0bn
Risk-weighted assets	£84.6bn	£92.6bn	£1.7bn	£36.6bn	£215.5bn