

RBS swing to third quarter loss following PPI hit

The £8 million loss come within the last financial figures under the tenure of Ross McEwan, who will stand down at the end of October

By Kenny Kemp 08:10, 24 OCT 2019

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In an interim management statement, the Edinburgh-based the group reported an attributable loss of £315 million for the period, while its had increased it levels of lending for mortgages and for business customers.

The bank has grown its total asset to £776.5 billion, with £369.7 billion of customer deposits.

New mortgage lending in the UK was £8.6 billion in Q3 2019 compared with £6.7 billion in Q2 2019. Commercial Banking net lending was £100 million higher than Q2 2019.

Across Business Banking, SME & Mid-Corporate, and Specialised business, lending continues to increase, with year to date growth of £1.6 billion.

“We continue to achieve net lending growth across UK PB, Ulster Bank RoI, Commercial and Private Banking at attractive returns; net loans to customers increased by 3.2% on an annualised basis for the year to date, exceeding our 2-3% net loan growth target.”

The banks has 6.8 million regular mobile app users and 8.8 million digitally active customers in the UK, representing 73% of active current account customers. Total digital sales volumes increased by 25% compared with Q3 2018, now representing 51% of all sales.

58% of personal unsecured loan sales, 68% of credit card accounts and 53% of current accounts opened were via the digital channel.

The figures mark the last for boss Ross McEwan before he hands over to the lending giant's first female chief executive.

Mr McEwan leaves on October 31, paving the way for [Alison Rose](#) to make history as the first woman to run one of Britain's biggest high street banks.

Chief financial officer Katie Murray said: "These results demonstrate our solid underlying performance in a tough operating environment.

"We have seen strong growth across the business and our sustained high levels of capital and liquidity mean we are well positioned to support our customers in these uncertain times."

RBS Investor relations

Underlying performance remains solid in a tough operating environment

- o Pre-tax operating profit of £2.7bn for the first 9 months
- o Bottom line profit £1.7bn up £0.4bn on the same period last year
- o PPI charge and a challenging quarter for NatWest Markets has pushed us to a loss for the quarter

RBS reports an operating loss of £8m and an attributable loss of £315m for Q3

- o This includes a PPI charge of £900m taken in the quarter

Continue to make good progress against our 2019 targets

- o Costs down £193m this year
- o CET1 ratio at 15.7%
- o Net lending up 3.2% on an annualised basis

Supporting customers through Brexit uncertainty

- o UK PB gross new mortgage lending was £8.6bn in Q3 compared with £6.7bn in Q2
- o Lending across Business Banking, SME and Mid-Corporate and Specialised business increased by £1.6bn year to date
- o Our Growth Fund designed to help businesses prepare for Brexit, has now offered £8.2bn of lending
- o Attracted 190k gross new main current account customers and 82k credit card customers in Q3

Chief Financial Officer, Katie Murray, commented:

"These results demonstrate our solid underlying performance in a tough operating environment. The core retail and commercial bank continues to perform well, and we are making good progress against our targets for the year.

"We have seen strong growth across the business and our sustained high levels of capital and liquidity mean we are well positioned to support our customers in these uncertain times."