

## TSB ahead with 440pc rise in profits

By Marion Dakers

TSB has reported a 440pc surge in profits for the first half of the year, as its purchase of 30,000 Northern Rock mortgages bolstered a better-than-expected rise in new customers.

TSB, which was relaunched in 2014 and bought off the stock market by the Spanish banking group Sabadell last year, said its progress as a challenger bank to the large high street players had not been affected by last month's vote to leave the European Union.

"The only change we detected was during Euro 2016 - when England played, things quietened down," said chief executive Paul Pester. "In the first few days [after the Brexit result] we had some mortgage appointments cancelled, but things have picked up again."

Mr Pester said TSB was insulated from some of the fears about a lending slump, with the average loan-to-value of its mortgage book standing at just 42pc, protecting the balance sheet from the dip affecting high-end London real estate and more cyclical loans.

The bank reported a 440pc rise in profits to £125.4m for the six-month period, including £34.8m from the Northern Rock portfolio, now renamed Whistletree. Total lending rose 29pc to £27.9bn, with about a third of this coming from the Northern Rock purchase.



HEATHCLIFF O'WALLEY FOR THE TELEGRAPH

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