Royal Bank of Scotland
Moderators: Sir Fred Goodwin, Fred Watt, Richard O'Connor
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Operator: I would like to introduce the speakers for this call; Sir Fred Goodwin, Group Chief Executive; Fred Watt, Group Finance Director; and Richard O'Connor, Head of Investor Relations. I will now hand over to Sir Fred Goodwin who will be chairing the call.

Sir Fred Goodwin: Okay, thanks very much. Good morning everyone, thanks for taking the trouble to call in. As you know we've issued our pre-close trading update today and I hope you've all had a chance to have a look at it. Slightly longer than usual for the obvious reason that we're covering off not just the trading update but also our current impressions of where we're going to land up on IFRS. If I deal with those two things separately, as far as the trading update is concerned, I don't think there's anything in there which should come as a surprise. The picture of the group and the divisions that we're trying to convey is very much in line with that which would have been evident to you in the first half of this year. We're seeing good income growth across all of the businesses, a good mix of income growth, margins are pretty steady, credit quality improving and efficiency improving – very much in line with what we've said. There's nothing in here as far as the trading is concerned that should come in any way, shape or form as a surprise.

As far as IAS is concerned, there have been inevitable health warnings around this. Not everything is set in stone at this point and obviously the precise impact depends on the precise balance sheet position at the end of the year and so forth, but the figures we've put in here are designed to give you a close a feel as we have for where the position is coming out. Rather than try and approach it on a narrative basis, we thought it would be more helpful all round if we gave you our best estimate rounded to the nearest £50 million for the total effect by line on the P&L and also by major constituents. As I say I hope that has been helpful to you both in terms of where we're coming out in P&L and where we're coming out on the balance sheet and capital side.

I think that's probably all I'd want to say at this point and we'd move into any questions there might be.

Operator: Thank you. Ladies and gentlemen, if you would like to ask a question, please press the * key followed by the digit 1 on your telephone keypad. We will pause for just a moment to give everyone an opportunity to signal for questions. Our first question comes from Credit Suisse First Boston and Michael Lever.

Michael Lever: Good morning Fred. Really I'd like to ask you a question on Charter One, if you can give us a little bit more colour. I've obviously fully appreciative that you've only owned the business for a couple of months, but if you could give us a little bit more flavour about current trading, about what you've done on interest rate hedging and about how you see things more importantly going forward into 2005 given the prospect of a US slowdown, rising short term interest rates, flattening loan demand, that sort of thing please?

Sir Fred Goodwin: Okay. There are a number of arguments in there, but in straightforward terms the repositioning of the balance sheet was undertaken successfully just after acquisition. Charter One themselves had undertaken quite a lot pre-acquisition, so we have got ourselves to the place that we indicated we're going to get to which is we're positioned for the rising rate environment in the US, so I think that has been completed successfully and comfortably within expectations.

Trading in the few months has been very good. The business is moving along well. No surprises there, and any surprises on the positive side; good deposit led growth in the business. Our integration plans which you'll remember including stepping up the small and mid-corporate business areas moving well. It's very much satisfactory in the business at this stage. Going forward we'll see what happens to the US economy. I take the point that there's some uncertainty surrounding its prospects as there are for many of the economies in which we operate, but bear in mind where this business operates tends to be at the lower end of the market and has carried us quite well through some difficult and challenging times in the US in recent years, as you'll have seen in Citizen's results. Mortgages are a very small part of this business now, so we would see a minimum impact from any mortgage slowdown in fact that transpires, it's very much not its main business.

Michael Lever: If I could just push you on one point of detail as to the fair value adjustment cost of more neutralising interest rate position in Charter One.

Sir Fred Goodwin: In the low hundreds Michael. Again, in line with the numbers we've said at the time. The complete fair value exercise isn't finished yet, because obviously there are more aspects to fair value than just the interest rate repositioning. But there aren't any scary numbers in there if that's helpful.

Michael Lever: Is that dollars or sterling please?

Sir Fred Goodwin: Dollars.

Michael Lever: Thank you.

Operator: Thank you. Our next question comes from Simon Samuels of Citigroup. Please go ahead.

Simon Samuels: Thanks very much, good morning. I was wondering if I could get you to just comment a little bit more just on the margin outlook. You'll I'm sure recall slide 47 of your interim results which was a reconciliation from your first half of '03 margin, 296 basis points down from the first…

Sir Fred Goodwin: Intimately.

Simon Samuels: I'm sure you do, number by number. Within that it's the usual sort of mix of things going better, things going worse. I was wondering if you could essentially update that in terms of what's happened since the half year stage, half year margin that was running at 292 basis points, the various ingredients within that and really the prospects of 2005 as well?

Sir Fred Goodwin: I'm conscious Simon that we're doing a trading update today rather than the results themselves, but in the spirit of trying to be helpful, many of the arrows are not that different from those that so memorably appeared in slide 47. In that regard you've got improvement in the mix in corporate causing a slight move up. You've got growth in mortgages, a slight negative mix effect, obviously mortgages have an inherently lower margin. The accounting for rental assets depresses the margin slightly, albeit it's not bad business. If we were doing slide 47 today it wouldn't look dramatically different. I think the sense we would like to take away from today is that you're not going to see anything drastic on the margin front.

Simon Samuels: And if I can just ask you to comment on the outlook for '05?

Sir Fred Goodwin: Ditto. Margins are pretty stable. As every it's a complex mix of ingredients, but the outlook for margins we have got is reasonable stable.

Simon Samuels: Thank you.

Operator: Thank you. We now move to Deutsche Bank and a question from Nick Lord.

Nick Lord: Thanks very much, good morning. A couple of questions just on some of the comments you made on income: first of all just to pick up the comment you made on dealing profits, I wonder if you could maybe give us a little bit more flavour for what Q3 was like and which parts of the dealing line would have been strong, and maybe whether activity levels were slightly higher or slightly lower. Secondly, the comment you make about consumer credit, seeing some signs of that beginning to slow. Again if you could maybe give us an indication as to the split there between activity in credit cards and activity in standard loan and unsecured personal loans, and some sense as to what competition levels have been like in the second half of the year.

Sir Fred Goodwin: Dealing profits…it's the same old story I guess. Dealing profits are driven by business that we do for customers, so when you see the graph in the final results presentation you'll see a very smooth progression of dealing profits, half on half on half, and good growth there. The rate of growth in dealing profits however is not as high as the rate of growth in our income overall, so it's not the case that some dealing profits are pushing the group along. Dealing profits are doing nicely, but I would say very unremarkably. That's not a complaint, it's just that's what they're doing.

On the consumer credit front, it's actually welcome that we're seeing a slowing down in the rate of growth. We're not seeing a reversal or shrinkage or anything, but the rate of growth is easing a little. I think this can be expected given the various corrections that have been in the marketplace. We're also seeing good growth in deposits which suggests that customers' minds are turning to other things, which is I think what they probably should be doing at this point.

In terms of degrees, mortgages continue to grow strongly, although our performance is affected or influenced by what's happening in the Republic of Ireland as well where mortgages are moving forward very well. In the UK credit cards continue to do better than just straight unsecured lending, but I don't want you to think the comments here are anything other than just a sort of slight conditioning thought, more for 2005 than '04, but the rate of growth is slowing down.

Nick Lord: And on the pricing environment, are you still having to compete as aggressively on credit cards?

Sir Fred Goodwin: Well, not having to. The credit card market has been highly competitive as you know, you're seeing 0% APR for a lengthy period. I would say there are signs of sense coming into that, with the emphasis on slight. It's still highly competitive out there, but as you know, consumer credit is a very small part of our overall income, so it's not something we have to chase and I think it's important that we maintain margin discipline as we go forward as we always have done.

Nick Lord: Okay, thanks very much.

Operator: Thank you. The next question comes from Robert Law of Lehman Brothers. Please go ahead sir.

Robert Law: Good morning. I've got two questions, one on the revenue trend and one on IFRS. On the revenue side, at the interim stage again a memorable slide where you gave the adjusted underlying growth in revenues at about 11%, you strip out currency movement and acquisitions. Could you comment on the momentum you're seeing from that in your reference to strong revenue in the second half of the year. Is that the kind of level we should be looking up?

Sir Fred Goodwin: You know our enthusiasm for getting pinned down for specific numbers in these kinds of exercises Robert, but I think I'd draw your attention to the comments I made at the start about continuing the trends that you were seeing. I think that answers the question without getting drawn on stating a number.

Robert Law: Fine. Secondly on IFRS, you've given a table which gives the movement there. Just to check that the other column doesn't have an major offsetting pluses and minuses. I'm assuming the reason it's "other" is because they're all fairly small. More importantly, could you help us on whether you think the adjustments you've made in '04 are "a typical year". So is it just in this particular year it's +/- 2-3% and in other years it might be different? I'm thinking here of the ongoing pre-goodwill earnings line that you use.

Sir Fred Goodwin: I'll pass over to Fred just on the other column, but the only if you like non-recurring element of it is part of the software costs, costs that we've already written off as part of the NatWest integration. We've had to reinstate, or we would have to reinstate write-off over three years so that part of it – I think it's a figure of something like £250 million or something. A big chunk of that relates to the NatWest integration which would be abnormally high in the ongoing scheme of things, unless there was another big acquisition. That's the only kind of non-recurring one that's in my mind. I'll get Fred to do the other column.

Robert Law: But that's not an adjusted earnings anyway, is it? That's…

Fred Watt: You're absolutely right Robert, there's nothing offsetting or masking the numbers there. As you'll probably have spotted in one of the notes, bank assurance is out of the numbers for that very reason. That would be an offset…or looking like an improvement in income which we think would be our position, so absolutely, they are relatively small numbers with no major pluses or minuses within them.

Robert Law: Thank you.

Operator: Thank you. The next question comes from Peter Toeman of Morgan Stanley. Please go ahead.

Peter Toeman: Hi Fred. We obviously monitor some of the data that comes out of the Bank of England which provides quite a useful series on corporate loan spreads and seems to suggest that there's some narrowing of margins on corporate loans. We also look at data from other providers looking at insurance premiums which again show that in certain categories, insurance premiums on household and motor are going into negative territory. I wondered if these trends had been evident at Royal Bank in the latter part of the year or whether you think these might be adverse trends you're going to run up against in 2005?

Sir Fred Goodwin: I think they're trends which have been evident during 2004, but as you highlight, they're not across the market as a whole. We deal with the corporate margins one first. There is a mix element in there as well. A lot of the growth we've been seeing in corporate has been at the mid-corporate and commercial end of things where margins are higher than large corporate. You'll remember the famous slide 47 that Simon was so intimate with, we highlighted that the mix effect in corporate was one of the things which was helping to push margin up. The margins are lower in large corporates and there are plenty of banks out there trying to do large corporate lending, but we're out there and making good headway. That's if you like included in the comments that we're making.

On the insurance premium side, yes, you see weaknesses coming in in motor insurance premiums. It varies month to month, I would say it's still quite early to call the motor insurance markets, whether we're going to see sustained weakness in prices or not. I would have thought that it's less likely because there are now fewer players in the market. The underlying pressures are for premiums to go up if your claims costs are going up. We shall see, but I wouldn't say that we're seeing sustained movement in the margins in insurance. It comes and goes month by month.

Fred Watt: I think in the first half Peter we already saw and therefore in the numbers was some slower growth year on year on insurance premium, and it's not going to be noticeably different to that.

Peter Toeman: Could I just ask you, returning to slide 48. The slide shows that your higher interest rates would be a positive on your margin, but it's conceivable that rates might actually decline in 2005.

Do you think that there's scope to reposition the parent bank for declining domestic interest rates?

Sir Fred Goodwin: Firstly looking out to next year, I think I would agree with your view that they might decline in the UK which would be less positive than going up. US we'd still expect to see going up, so the overall situation I think would be pretty neutral as far as the group is concerned. I don't think we're strongly hedged one way or the other at the moment that would make it bad news to go down.

Peter Toeman: Thanks.

Operator: Thank you. The next question comes from Citigroup and Thomas Rayner. Please go ahead.

Thomas Rayner: Yes, good morning Fred, it's Tom Rayner here. I've just got a couple of quick questions, first on the sort of 10% of group income from UK consumer banking. If I could just get a clearer view of whether that would include any commissions such as from the cross-selling of say, creditor protection insurance which was sold with the consumer loan. Is that an all-encompassing 10% figure?

Sir Fred Goodwin: It is Tom, Simon will remember the number. There was a slide in the pack at the interims which showed a breakdown of it by business line and how much was non-interest income and how much was interest income.

Thomas Rayner: Great, thanks. The second one was just Charter One, you basically answered pretty much all the questions on that. The only thing I was interested in getting a little bit more detail was on the deposit side, because you said there was deposit led growth. There was a little bit I think of a conception in the market that Charter One pre the acquisition had attracted a relatively significant amount of rate sensitive deposits. Is that an issue at all as you see it going forward? You may have some rate sensitive money on the Charter One balance sheet?

Sir Fred Goodwin: I think all deposit money is rate sensitive one way or another Tom. There's nothing that we're seeing in the Charter One book that's troubling us going forward. It's a competitive market so you don't just stick a deposit in your book and it stays there forever. But the business is growing well on the deposit side.

Thomas Rayner: Sure. Thanks a lot.

Operator: Thank you. The next question comes from Michael Lever from Credit Suisse First Boston. Please go ahead.

Jonathan Pearce: Hi, it's actually Jonathan Pearce here. Can I ask you two questions unfortunately on IFRS? Can you tell us whether your guidance on the capital impact includes any change in the £800 million or so of embedded value in the closed life fund, that's the first one.

Fred Watt: We don't have a closed life fund Jonathan, and your number is way off in terms of any embedded value we have in our ongoing fund life business.

Jonathan Pearce: In the '03 account there's a fairly big figure in the notes. Is that relating to something entirely different then?

Fred Watt: It could well represent share capital in our life business as well. The short answer to your question is: we're not assuming that there is any adjustment to capital from our life business, and if there was it's a number that's much, much smaller than you would be suggesting.

Jonathan Pearce: Okay. And secondly, can you give us any clarity on the size of the loan impairments that you've done, that you've assumed in your number.

Fred Watt: The loan impairments?

Jonathan Pearce: With regard to capital I think you've said that…30 to 40 basis points included in the IFRS transition adjustment, some element of that relates to loan impairment. Whether they've made it clear I don't know…

Fred Watt: We're assuming there's no real change to the overall provisioning under IFRS, if that's the answer you're looking for.

Sir Fred Goodwin: There's no difference in our view of loan repayments. A loan doesn't become bad because of IRFS. How you would provide for it would be different. It's not a big item for us, there's no loan impairment in there that wasn't there to start with.

Jonathan Pearce: Thank you.

Operator: Thank you. Once again, to ask a question, please press *1 on your telephone keypad. The next question comes from Mark Thomas of KBW. Please go ahead.

Mark Thomas: Good morning everybody. Three very quick questions if I may. Given Charter One, Citizens and good trading at Greenwich, what's the earnings sensitivity going to be to the dollar, obviously recognising the preference shares? Secondly, could you comment on whether there's been any change in the loan draw downs at CBFM…

Sir Fred Goodwin: I think we'll deal with these one at a time Mark. Earnings sensitivity…if you take Citizens and strip out Charter One, the earnings are positive in the year if that partly answers your question. The hedging effect of the prefs you could work out I guess. I don't have the figure at my fingertips.

Fred Watt: Roughly Mark, if you assume we're running at an average dollar rate of…let's say around $1.83, any movement from here…let's say it moves another 10%. There's probably around 1% impact on earnings on that sort of ratio.

Mark Thomas: Great, than you. Just in terms of CBFM, obviously whether there's been any change in terms of the [jaws] between income and costs?

Sir Fred Goodwin: Not particularly, no. We highlighted in the first half the investment we're making in growing the business, but that wasn't to make the [jaws] negative.

Mark Thomas: Okay, and finally just in terms of what's the pure equity T1, obviously recognising the total T1s at the higher end of 6.5 to 7.

Fred Watt: In line with where we said it would be at the time of the Charter One deal, so it's in the fours but we haven't gone very specific on that. At the time of the deal we said it was something like 4¼, 4.3. We're not looking any more specific than that at this stage.

Mark Thomas: Brilliant. Thank you very much.

Sir Fred Goodwin: Thanks Mark.

Operator: Thank you. The next question comes from Robin Down of Morgan Stanley. Please go ahead.

Robin Down: Good morning. I just had a couple of questions. The first was on the pensions side, you seem to be adopting FRS 17 a bit earlier than you would otherwise have to, and also you seem to be suggesting that change versus the SSAP 24 isn't particularly material, but yet when we look back through the 2003 accounts it looks like there would be a reasonably meaningful uplift to the costs. I was just wondering why you were adopting it early and whether or not we're missing something in terms of our calculations, whether or not you've changed any of the assumptions or whether or not you've injected more cash into that pension fund? I've got a second question as well which is completely unrelated.

Fred Watt: We're adopting it basically because it's a better representation of what we have to adopt anyway next year under IAS, so that's the reason. It's not early in that sense, it's just more in line with what everyone's having to do next year anyway. In terms of the year on year charge, we're not saying, the point you were making, we are saying that there's no difference to our actual charge this year as we move into FRS 17, but our actual charge is up year on year. We already have reflected a higher change knowing that pension costs are what they are. Our accounts already in the first half reflect that, and therefore our expectations for the full year are already reflected on an increased charge.

Robin Down: Good, good. The second question, it's probably a slightly sensitive subject but it relates to Santander. Obviously there's been a lot of talk about Santander selling the remaining stake in Royal Bank…

Sir Fred Goodwin: Why should this year be different?

Robin Down: I'm just wondering about the Royal Bank stake in Santander. I think you've got about a 2.1% stake. Could you just confirm whether it's in a book value or in a market value? I think it's in a book value, isn't it within the balance sheet.

Sir Fred Goodwin: It's a book in the balance sheet Robin. I think it's a higher percentage of that. All I would say, it's not burning a hole in our pockets.

Robin Down: I was just wondering how you actually viewed that stake now, whether it was sort of a long term holding still for you or whether or not…

Sir Fred Goodwin: I think as we've always viewed it. We've talked about this in the past, but it's not a strategic holding in the sense that…no way, I know I've said over the year that the core shareholdings were immaterial to the relationship. The holding is the holding, it's not strategic, we don't have to hold it if we don't want to hold it. There's no option ruled in or ruled out in relation to that.

Robin Down: Okay, thanks.

Operator: Thank you. The next question comes from Michael Helsby of Morgan Stanley. Please go ahead.

Michael Helsby: Hi. Sorry, a bit of overkill from us boys, but I was just wondering if you could give us a comment on the outlook for bad debts. I think Barclays in their trading statement were sort of talking a story where wholesale bad debts from hereon out have probably bottomed and looking like they're going to be moving up. Also on the retail side, they're steering the market higher in terms of the trajectory and bad debt. I was just wondering if you could give us what your feel is on that please?

Sir Fred Goodwin: All of us lack enthusiasm for trying to predict future events Michael, but the credit quality has been over the piece relatively stable. As we've indicated in the statement today that in relation to the corporate side, things are continuing to improve. On the retail side in relation to the NatWest book, the seasoning effect that we spoke about at the interims you'll see again in the second half. I think as you look at credit experience over time, it is much more stable than perhaps it would have been 10-15 years ago, and I think that's what you're going to see going forward. There will be fluctuations, but my own thinking would be it would be more related to the size of the book rather than dramatic changes in the market.

Michael Helsby: Okay, thanks.

Operator: Thank you. The next question comes from Paul Messday of Execution. Please go ahead.

Paul Messday: Good morning all. I wonder if I could just ask a quick question on the SME loan growth that you refer to and invite a comment upon whether that's actually accelerating sequentially, in particular which industry segments are driving this growth and how you see that progressing going forward into the new year? Thank you.

Sir Fred Goodwin: I wouldn't say it's particularly increasing sequentially Paul. It's just good, steady growth. With SME it's always very difficult to pull up industry sectors as such, we need to either…woven into the economy or fabric of the economy, in every town, city and hamlet in the land, so you can't really see industry sector trends in it particularly, it's pretty widespread.

Paul Messday: Thank you.

Operator: Thank you. The next question comes from Michael Lever of Credit Suisse First Boston. Please go ahead.

Michael Lever: Hello again. I've just got a quick question really on Direct Line, or sorry, Royal Bank Insurance we should call it now. One of the features of the interim results was the fact that you had I think reinsured less and that fed through to the earn premium line. I've not got the statement in front of me at the moment so I can't quote all the figures. Could you just explain that in a little bit more detail, because premium growth was I think partly due to less reinsurance as much as increasing gross premiums.

Sir Fred Goodwin: Now, I think the quota share did change which affects the earn premiums and obviously the claims costs. It does that from time to time Michael, just based on the reinsurance costs in the market and the effectiveness of doing that. So there's nothing strategic in any change that was made, it was just something that's been a feature of Direct and indeed RBS's insurance results, and will be going forward.

Michael Lever: So we shouldn't read anything in particular into that then. Is it a function you think that you might as well self-insure at this point in the cycle or is it a function of the cost of reinsurance or…?

Sir Fred Goodwin: It's tactical. If you look back over the years, we've played out of that market based on the availability of rates. We do need to protect ourselves from the big hits on any individual events and so, so the reinsurance externally is an important part of our business model and that remains intact. The precise parameters are the boundaries within which we reinsure. There's a fairly narrow fluctuation within which we move just based on prices in the markets from time to time.

Michael Lever: So you've not really increased your risk profile of the business?

Sir Fred Goodwin: No. You also tend to lock these things down on a kind of annual cycle, it's not something you're doing every five minutes. What you'd have seen at the interims would be us locking the position in for the year.

Michael Lever: Thank you very much.

Operator: Thank you. We now move to HSBC and a question from Mike Trippett. Please go ahead.

Mike Trippett: Good morning Fred. Just going back to asset quality, could you just give a bit more flavour as to what's happening on the corporate book? I think at the half year, clearly the provisions were down again at the half year and moving in the opposite direction to loan and asset growth, and that's partly I guess growth coming down but partly also the benefit of releases and recoveries coming through. I'm just really trying to figure out, are we at the bottom of that, that sort of cycle now? Have we had the best of the releases and recoveries coming through, and would we expect on the corporate book provisions to start moving up in line with asset growth?

Sir Fred Goodwin: No, I don't expect to see it moving up in line with asset growth. What we've seen is that sort of situation where there was a level of provisioning which stepped up and is now coming back to a more normalised level. I wouldn't say at this stage we've actually seen a lot of recovery, it's more been…where we've made a provision it's been higher than needed, because recoveries are not such a feature at this point, provisions have turned out to be needed.

Operator: Thank you. Ladies and gentlemen, to ask a question, please press *1 on your telephone keypad. The next question comes from James Leal of Teather and Greenwood. Please go ahead.

James Leal: Good morning, just a quick one. Could you let us know what you've got down for clean PBT and EPS consensus for this year and next please?

Sir Fred Goodwin: It's about 7.9 I think…that's PBT, that's a sort of profit figure that we talked about.

Fred Watt: 7.9 in terms of…I think your definition of claim before integration for this year. I think EPS on that basis was something like 169 or thereabouts. Next year to be honest I haven't got a consensus that I'd be happy sharing with you next year given that a lot of analysts are still to build in Charter One and everything else. I haven't got a number for next year that we'd be wanting to comment on at this stage.

James Leal: Okay, thanks.

Operator: Thank you. The next question comes from Mamoun Tazi of Bear Stearns. Please go ahead.

Mamoun Tazi: Yes, good morning gentlemen. I just need a clarification on the dollar exposure – you mentioned that a 10% decline in the dollar rate would imply a 1% change in profit. Does that mean that you have a hedge in place, because if I recall, your exposure to US business is about 20%. If there is a hedge in place, what would it imply in terms of the price of the dollar? Would that mean that the translation would not be the full translation or would you benefit from a rising dollar fully? Thank you.

Fred Watt: The hedge we have is a natural offset really. We have a dollar preference share dividend, or dividend coupon that we pay, and therefore that dollar dividend will go up and down with the moment of the dollar as well. There's not a hedge in the sense that you're describing, it's just the way we've funded the US balance sheet is in part by issuing US preference shares, and that gives us an offset naturally.

Operator: Thank you. Gentlemen, it appears at this time that there are no further questions. I would like to turn the call back over to you for any additional or closing remarks.

Sir Fred Goodwin: Okay, thanks. Thanks everyone for taking the trouble to listen in and for the questions. As ever I'm sure as you'll go away and think about it they'll be some more questions, so feel free to give us a call and we'll try and answer them. I guess I'd just close by emphasizing what I said earlier on, there are not meant to be any complex or hidden messages in here, I think what you see is what you're getting here, but nevertheless we'll look forward to any further questions. For the meantime thanks for calling in, we'll catch you later.

Operator: Ladies and gentlemen, that concludes today's conference. On behalf of Royal Bank of Scotland I would like to thank you for your participation. Have a good day.