



UBS 2008 Global Financial Services Conference

“Delivering while De-levering”

PRESENTATION and Q&A SESSION
SIR FRED GOODWIN, Group Chief Executive of
The Royal Bank of Scotland Group,
at the UBS Financial Services Conference
held in New York on Monday 12th May 2008.

Alistair Ryan (UBS): Ladies and gentlemen, we are asking everybody to take one significant intake of breath before we close the doors. You'll have to last 30 minutes exactly! Apologies from UBS's perspective in having booked the conference rooms before the financial crisis kicked off and attendance has expanded very significantly I think since we reserved the rooms.

One constant though is Sir Fred's participation in our conference, he has been to every one, and has long established his reputation as the only person who answers the question we ask at each one of the conferences. And with that, Sir Fred, thank you, the floor is yours!

SIR FRED GOODWIN: Thanks Alistair and good afternoon everyone. I guess I would add my own apology for the surroundings that are somewhat more compact than I remember at UBS conferences of old ... (Laughter) ... and particularly apologies to those sitting on the floor here! (Laughter) I'll try and not make this anymore painful than I can avoid.

As Alistair said, I will take a swing at the question. I think it is one of these occasions where the question is actually highly relevant. I am not sure how long ago the conference topic was framed, but certainly we were planning to be coming here to talk about de-leveraging for some time and clearly events have moved ahead somewhat in the last six weeks or so. I am sure you have all learned that off by heart!

De-leveraging then: de-leveraging is something which we have some experience of at RBS. It is something we have done twice already now this decade as we leveraged the business up to make acquisitions and

de-leveraged in the subsequent years. It is the path that we were embarked upon when we made the ABN AMRO acquisition.

As you will see from the past track record, we were able to recover our capital base quickly and to do so at a time when we were growing our dividends, and we also managed to move our return on equity forward notwithstanding that we were holding more equity progressively in the business through those periods.

Clearly though the world has changed which brought about the Rights Issue. I know we've spoken directly to many of you and most of you will have had the chance to listen into the Investor Presentation, which we made around that subject.

I am not going to go through it in great detail again today other than to highlight very much our view, which is that the world has changed. The further deterioration we have seen in credit markets this year, the examples of the quite extreme counter-party liquidity stress, reduced forecasts of economic growth generally and, of course, the pro-cyclicality which is built into Basel II, all collectively have brought us to a place and a belief that as an ocean-going financial institution we need to carry more capital in our business than we have historically.

In reflecting that changed world, we are now moving to target Tier 1 ratios of between 7.5% and 8.5% and a core Tier 1 ratio in excess of 6% and, as we have confirmed already, we will be ahead of both of those ratios by the end of 2008.

The Rights Issue, again you are familiar with these numbers, looking to raise £12 billion. The write-downs, which we put forward as potential write-downs which could happen in 2008, are pretty much offset by the disposals which we would anticipate making in 2008, so the proceeds of the Rights Issue drop through and increase our capital ratios. It is very much that the Rights Issue is about increasing the capital base of the Group.

That was all I was going to say on de-leveraging as such. I think we want to get on to the altogether more important topic of delivering while all of this is going on.

I hope you are beginning to become more familiar with the Divisional structure in the Group now. We published the pro-forma P&L accounts for those Divisions back in February and we also published the risk-weighted assets for those Divisions a couple of weeks ago when we gave our Trading Update. So hopefully there is some more information there to help you to try and triangulate your estimates and forecasting for those Divisions.

The numbers, which you see there on the slide, are the underlying pro-formas for 2007. Again, maybe it takes a bit of an adjustment just to think of that, that big UK Retail and Commercial Division actually being much bigger than GBM within the Group, and it will take a little while I guess for all of us to reorient ourselves around the shape of those different businesses - the very significant Global Transaction Services down there, on the slide, making just over £1.6 billion in 2007.

I guess in looking at those individual components and seeing what delivery might look like over the coming months and year, the biggest Division first, UK Retail and Commercial Banking. We are seeing strong growth in deposits, both the Retail and Commercial.

In a round about way that is probably one of the clearest signals that economic activity is slowing down as we see not just the flight to quality of customers moving from smaller institutions to the largest institutions but also our pre-existing customers saving more money.

It is not coming from 'under the mattress', so it is money that would otherwise be getting spent in the economy, so to my mind that is a very clear metric as to how people are behaving.

We are seeing excellent progress in the UK Wealth Management business, Coutts, Adam & Co., Drummonds and the private banks, which sit at the top of the NatWest and RBS retail franchises.

We continue our cautious stance on unsecured lending; our book continues to shrink. It has been shrinking for about the last two years; unsecured credit costs continue to come down within the UK business.

We are seeing good opportunities to write mortgages - at previously undreamt of margins! About half the capacity is out the UK mortgage market just down, so people are literally walking into the branches to get mortgages at margins which have got a greater number of digits on them than they had this time six months ago! (Laughter)

So it is quite a big step forward in margins in mortgages, and very good LTVs, good credit quality - simply people finding their mortgage provider is not there for them at the end of fixed rate deals, for example.

On the commercial side, credit quality is stable. Commercial property, commercial real estate, an area we look particularly closely at, one of the key metrics in there is the speculative development piece - speculative development is at an all-time low, it is just under 1% of the book as we speak! And the credit quality, the metrics are fine.

A rough - well, not rough, this is an accurate break down of income by product comparing 2006 with 2007 - and you'll see firstly quite a range of different sources of income in there. Not every business ahead in 2007 but 2007 was a good year for this Division, and 2008 is moving well. The "ticks" give you a sense, a relative sense, of where we see opportunity at the time of writing, so a very positive sense around this business at this point in time.

Moving on to the US, again not an insignificant Division! A different set of moving parts, deposits are stable but pricing is competition. While we have got the yield curve the right shape at the moment and interest rates moving in the right direction from the point of view of the deposit franchise, a lot of the small players are literally having to fund themselves out of deposits at this stage and competition for deposits is fierce. I am sure you don't need me to tell you that!

The diversification of our business: it is still a very deposit-driven business, as you'll see in a moment, but the diversification we have been

working on in recent years is working well. We are seeing very good growth in commercial banking, in cards and in our investment products sales, but they are still comparatively small parts of the overall business.

At the risk of stating the obvious, we have a pretty cautious stance on outlook in relation to consumer lending and whilst we are positive about the opportunities for income growth, we have been continuing to maintain the good costs discipline that you have seen in that franchise for some time now.

Credit quality is satisfactory. The credit metrics are stable year on year with the exception of the 'service by others' portfolio, which we highlighted at the year end and we highlighted again in the Trading Statement, where we are seeing deterioration not dissimilar to that which other participants are seeing and which is built into our numbers for the rest of the year.

But the credit quality, apart from that, is completely stable with this time last year, which again points to the quality of that lending book.

A sense of the income sources in our US retail and commercial business: you will see what I mean about it still being a deposit-dominated business, but you will also see that commercial lending piece growing.

We are building quite a nice little commercial business there, as you see quite well balance between deposit-taking and lending, and invested products picking up but still very small in the overall scheme of things.

The foot is well and truly 'off the gas' on the personal lending front, as you might expect, and obviously mortgages and home equity for the blindingly obvious reason.

Europe and the Middle East, a much smaller part of the operation overall and I'll not spend a lot of time here, but very much dominated by the business which we have in Ireland, Ulster Bank, plus the bits and pieces we picked up from ABN AMRO.

There is a particularly interesting business in the United Arab Emirates, good customer numbers, good income growth, good metrics in that business but still relatively small. Romania and Russia very small; Kazakhstan extremely small, as you might imagine, on the retail banking side, really there in support of the commercial banking operation which we have in Kazakhstan.

Good growth though in the European piece, good profit growth, and income growth moderating a little bit in Ulster Bank, slow economic growth on the island of Ireland. That said, we are seeing some margin improvement coming through now as the players are all responding to the new economic realities. Credit quality is stable.

And in the UAE we are actually making very good progress with credit cards and personal loans and in affluent banking. It is a very economically active part of the world at this time.

A rough sense of where all the "ticks" are coming. You will see there, on the slide, a very "up tick" in business advances, which were basically the

launch of some of the GBM products into Ulster Bank over the last couple of years starting to take root and starting to take effect.

And you will see down at the bottom of the slide the growth in Europe and the Middle East, but very small in the overall context of that Division at this point.

Asia: again the retail part of Asia very small. I won't take a lot of time over this but quite a range of options we have there, quite a range of branches, a range of customers, and you will see that income growth is pretty strong across-the-board in Asia from a small base. But some of the bases aren't quite so small now. As you can see, the Indian business in particular, 57% growth in the last year!

Self-evidently strong growth; strong profit growth in Asia; Wealth Management making particularly good progress; affluent banking. We are continuing to invest in these franchises. ABN was becoming quite patchy in its investment in these businesses over the last four or five years. We are moving on to the front foot in most of them to invest in the face of pretty vibrant economies in all cases.

Just to give a slight sense of what it's about, this is a slightly different cut. This is the GBM business in Asia and the retail business together, so this is what we as a Group make in Asia.

You will get a sense from that, basically if the rate of growth was to halve this year, which it is doing anything but at this point, we would make

about £1 billion profit next year from Asia. So it is becoming an increasingly significant part of the Group's business and operations.

Those were a whistle stop tour of the regional businesses, and I am happy to go back over those or go through any questions you might have about them.

But moving on now to the global or the globally managed Divisions, starting with Global Banking & Markets.

It is just worth reminding ourselves that this is a business which has been transformed by the ABN AMRO acquisition. Whether you look at customers in a position with large corporates and financial institutions, we are now number one in the UK, number one in Europe, number five in the US and number five in Asia.

Whilst RBS before was number one in the UK, you can see from the top of the table that we weren't in anything like that position in Europe or the US, and we were just simply not ranked in Asia.

So quite an "up tick" in the number of customers, and importantly, in the target customer categories for the Global Banking & Markets business. That is the large ocean-going corporates and financial institutions.

We're operating in many more countries and our products have moved from being good quality in pretty much top tier across all of the product categories that we offer and a significant increase in the number of employees in that business.

To give you a sense of who we play again in each of those areas, and again you will get a picture of the fact that we are at the very top table in each of those major market places. It is also quite interesting, it is not always the same people who are above us in each of those areas, so when we start to compare global franchise with global franchise there aren't too many people there that we would be taking second place to.

Diversification is a strong feature of that business. Our income is generated in quite a number of different parts of the globe: Asia Pacific not so different from the United States, Europe much bigger I suspect than you possibly imagined, and of course the UK still a very large part.

The split by products speaks for itself over on the other side of the slide. The portfolio and asset management, if you like, is the banking book of that business.

Trading Update: a more complicated picture here. The bits that are going well are going well and the bits that aren't going well aren't going well! (Laughter) I guess you have heard some of that story already from other presenters.

As I say, a very good performance in rates and currencies - it won't go on forever! That's a business which enjoys volatility. We follow our customers, we do business for our customers, so the levels of activity tend to be very closely linked to what our customers are doing and when there is a lot of volatility our customers do a lot more of other things.

We are making very good progress on realising the opportunities that the ABN AMRO transaction presents for us, a very clear proof of concept. This notion that we could sell more of our products to the respective customer bases who hadn't had access to the respective product sets before is bearing out, it is bearing fruit, and the signs for that are positive.

We formed a joint venture with Sempra at the beginning of April, which makes us I think number three globally in commodities trading, an important addition to that product set and one which is very topical with a lot of our customer base at this moment in time. We are seeing enormous volatility in commodity prices, not proprietary trading but trading on behalf of our customers.

Credit impairments have remained low, as you have heard me say before and as you will have seen in the Trading Announcement. We have made quite a number of changes to the management of the business here in North America, particularly in Greenwich, to reflect what's happened last year and how the business will look going forward.

There are very many moving parts here. You'll see some quite dramatic swings between 2006 and 2007. Rates had a very good year in 2007 - and having an even better year so far in 2008! The asset-backed business had backed way off in 2007 in any event and actually 2006 was down on 2005, equity finance down as well last year, so this tends to be a business of moving parts.

It is very unusual to see all parts of this business all going forward at the same time. You'll get a sense from the "crosses", the array of "crosses"

and “ticks” down the side of the slide, that we don’t anticipate all parts going forward equally into this year.

There are some parts of that business that are very obviously subdued at this point in time and we are in the process of trimming our sails to suit the amount of wind that is available.

Global Transaction Services: this is the business of moving money around the world, merchant acquiring. We have major scale in this business and we’d be probably number three globally in merchant acquiring, number three/number four in cash management for large companies globally.

We are making good progress in this business. There aren’t a huge number of global competitors here and it is a sort of slow business; it is the sort of business that has to go on day by day by day by day just to allow companies to operate. We seeing a good expansion of the merchant acquiring business, good growth, income and profit in this Division, and we are seeing all of that against a backdrop of contained expense growth.

Again you have got the picture now, just a rough sense of where the relative opportunity lies and where the outlook sits.

Quickly, and not to forget Group Manufacturing, the platform has expanded considerably. The opportunities going forward in IT and Operations in particular are much greater than before. ABN AMRO had religion about Manufacturing and had a very similar philosophy to that

which was applied in RBS. They had not rolled out the model with the same discipline as we have used.

But we'd anticipate picking up their operation in India, and particularly in leveraging that across the global footprint which we have, and we see considerable opportunity to carry on the type of trajectory which you can see there, on the slide, where we are able to grow our income without the corresponding increase in Manufacturing costs.

The transaction benefits themselves, just to remind everyone of what they are, and to remind everyone that they have increased by about €600 million since the offer document - principally cost savings, and a much smaller proportion revenue.

Again just to bring that into perspective, the businesses which we bought from ABN AMRO, our piece of ABN AMRO, on an underlying basis would have made about €640 million last year. So an increment of €600 million on top of the pre-declared synergies is quite a significant "up tick" relative to the businesses that we bought, albeit it still only brings it to a relatively modest cost:income ratio of 61%. I do think we can do better than that!

So, in conclusion, for me the whole business about delivery from this point on revolves around growth. I guess it always does really - whether an organisation is delivering or not has a lot to do with whether it is able to generate growth from its business and growth from its franchise.

It is never easy to predict growth, never more difficult than when economic conditions are uncertain, but it strikes me that to be able to grow, first and foremost you have actually got to be in the places where growth is taking place and you have got to not just be there but you have got to be there in a way which enables you to benefit from that growth.

As the “ticks” in that graph show, everywhere except Brazil, of the top ten contributors to growth last year, we have more employees, more customers and more products this year than we had last year to face into those and, as you can see amongst the three biggest contributors, United States and United Kingdom are both key market places for RBS.

But of the top ten contributors we are active in nine, or put another way we are present in economies where 91% of global GDP growth occurs. So in terms of a starting position to look forward and see where we might perform and our ability to deliver, this seems to me an important attribute to have.

But it is no use just being there, I guess you have got to have some other attributes as well, and again I put it to you that relative to where we were a year ago we have enhanced diversification whether it be across the range of products which we offer or the geographies in which we operate.

We have an enhanced customer franchise. All of our businesses have more customers this year than they had last year, many of them materially increased as I hopefully gave you a sense of as I went through the presentation.

It is no use having a good franchise and being diversified if you don't have products that customers want to buy. The majority of our products are ranked in the top five of their type in the markets in which we operate, so we have competitive and attractive product which we can sell to our customers.

We have got the distribution channels through which to sell them, whether it be branches, whether it be electronic, whether it be relationship managers, whether it be money transmission systems, whatever it may be we have a presence pretty much across the waterfront in banking and financial services.

Last, but not least, I think a very important point and not to be overlooked here, is that we are able to do all of that against a backdrop where the risk premium has increased.

If you were to go back a year ago and sort of ask every banker for their wish list - I am not sure what would be on everyone's wish list! - but I suspect one thing that would be on everyone's would be greater risk premium and probably for there to be not so much competition.

Well, both of things have happened, not quite in the way that we would have wished. But it is a fact, it is a reality, that there is more risk premium out there and there are fewer people out there doing business today than there has been for some time and that creates an environment not without risk, not without danger, but certainly environment of opportunity for those who are equipped to pursue that opportunity.

And post the Rights Issue, post the ABN AMRO acquisition, with the revised capital base and all of the enhancements to our prospects for growth, we do feel well positioned for the future and whatever 2008, and just as challengingly I suspect 2009, has to throw at us.

So on that note I'll stop and hand over to you for any questions that you would like to ask, and between myself and Guy Whittaker, our CFO, we will try and answer them. Thank you very much.

There is someone over here!

QUESTION: Could you talk about the Rights offering and how necessary that was on the "wanted list" in the presentation? Can you say why you did the Rights offering and can you talk about the burden in terms of its effect on the shares and on your share bases now?

SIR FRED GOODWIN: Why the Rights Issue I think is the best place to start. I think the reality is that we have run with a capital base for a long time, which has been towards the lower end of spectrum. It is a capital base which has served us well for the most part. It has enabled us to make acquisitions and when we've done that we have had to gear up to do it.

It is the same capital base that enabled us to return capital through the AVS after the NatWest acquisition. The same capital based allowed us to do share buy-backs about 18 months. The same capital base has allowed us to increase our dividend per share by about 150% in the last five years, 60% in the last three years.

It is a capital base which has served us well, as I say, but it is a capital base of a time and of an era which I think have just been overtaken by events. I think what we have seen happening in our world over the last 6-9 months is something highly unusual - we can all debate how unusual it is, how foreseen it should have been and all the rest of it! - but it has happened.

And even if it was to turn into 'blue skies and sunshine' again tomorrow, and everything went back to whatever normal looks like, we still can't ignore what has happened and it having happened the message to us and for us I think is that our capital base needs to be stronger to be able to absorb impacts where things could have turned out much worse than they have turned out - touch wood! - so far.

We have seen in our case very substantial mark-downs, greater than anything we had experienced before, and yet we are by no means at the bad end of the spectrum. We have seen major counter-parties rescued at '5 minutes to midnight'!

Now I think we are all glad that they were rescued but the fact that we could get to that stage, and had they not been rescued they and possibly others would have gone as well with the attendant consequences for the financial system, I think any reasonable and rational person has to factor into their thinking about capital, that that event happened and how to be prepared for it.

In the same way as we still factor in the 'Russia Stress Event', which was what? - 10 years ago! - into our modelling, just because it happened

once. We can no longer view it as something just off the end of the distribution curve.

So that's the why on capital. It doesn't take us to a ridiculous level. Having a core Tier 1 ratio that begin with a "6" kind of gets us into the pack. I don't think it's an excessive level, it's not a fortress, it's not designed as that and certainly all of the disciplines which went with running a lower capital base, that is to say tight capital management - you need a lot of discipline around capital! - and the fact that we generate more capital than we need for the organic growth of the business, those things continue. But we do feel the need to rebase.

To the question of returns, well, clearly a conception that leverages down return on equity, earnings per share, all of these metrics - and the arithmetic is fairly transparent I think to everyone - what happens thereafter depends on how the business progresses. But if you look at our record in earnings per share growth it has been good. If you look at our ability to rehabilitate return on equity, as those charts I put up at the start, it has been good.

It is also relevant I think to look back to what has caused this turn of events, and that comment I made at the end of the presentation about risk premium, we are seeing margins going up and we are seeing risk premium returning, and when you are in the banking business and you have a balance sheet out there, if you start to earn better returns on it, it doesn't take long to flow through to our Shareholders.

So it is clear that returns on equity will be down from the level they were at last year but I don't know that the prognosis going forward is - I don't think it is something which should be disappointing.

QUESTION: The press, the sell-side analysts and the share price seem to be saying that there is going to be asset losses where the UK banks are channelling, and in your bank specifically, in both residential and commercial real estate in the UK. Can you comment on why that is not going to be the case?

SIR FRED GOODWIN: I am not really sure that is what the press are saying - and certainly I didn't necessarily hand over responsibility for that to the press - and I'm not sure that what analysts are saying either! But let me pick up the two points specifically.

To real estate, our book is (a) relatively small and (b) very conservatively positioned. The loan to valuation in our mortgage book is 45% or so. The credit quality of the book is very good.

In terms of repossessions last year we did not make into four figures across the whole Group for the whole year. So we are very conservatively lent and it is a book about which we feel pretty confident and as we stand here today all the credit metrics around it are just fine.

The UK property market and the residential property market in particular, are very different from the property market here. I am sure there will be those who have got involved a lot in "buy to let" and some of the very

high LTV mortgages who might have a little discomfort as we move along, but it doesn't feel like a big issue and certainly not for RBS.

Commercial real estate that I mentioned during the course of the presentation: we have a book there where it is well distributed across the country, it is well distributed across industry type and, crucially, the speculative development part of it is just under 1%.

At the time of the 1990s excitement, which was when UK banks last caught a cold in commercial real estate - certainly in the case of NatWest and RBS the book was round about 20% in speculative development in which case if things slow down you do have a problem - in a situation where it is much smaller than that you are effectively looking at the covenant of the tenant, the covenant of the borrower and the value of the property for recourse.

You tend not to have at least one of those and sometimes two of those in the case of speculative development. But the book at this point is fine and that wouldn't be one that I was losing any sleep over!

QUESTION: Can you talk about the North American real estate exposure directly through financial markets?

SIR FRED GOODWIN: Very similar I guess but a much smaller exposure in North America; very similar metrics at this point. We don't have a particularly racy stance towards commercial real estate. The LTV of our commercial real estate book would be mid-60s, and that would apply over here as well, so it is not one that is causing angst.

QUESTION: What changes are you anticipating perhaps in the light of the current environment and do expect a particular period for your peers in the matter of capital raising level changes?

SIR FRED GOODWIN: I guess we have been spending enough time looking at our own capital really not be paying too much attention to our peers.

Basel II has in it the so-called pro-cyclicality effect where the probability of default goes up and the amount of capital you need to put up against a given pool of risk-weighted assets would increase.

The particular stress that we have been looking at, just for modelling purposes, has been the 1990s stress and that, if you run it through the balance sheet models, would get you to sort of between 30 and 50 basis points on Tier 1, if you flex that in. But we are not seeing that at this point, but just as I guess a rule-of-thumb for you. That gives you a sense of it.

Also the other sort of 'ready-reckoner' I carry round is that our total annual impairment charge is about £1.5 billion. That comes in at about 18 basis points on core Tier 1. So just those numbers to have in your head.

QUESTION: We've just had a presentation from Jamie Dimon, who was talking about it - in his view at least! - being 75% of the way through the current financial crisis, but that we were just at the start of a recession, but it's pretty hard to tell how deep or how long that is going to be.

If we do go into a sort of pretty tough slowdown, whether it be Europe, the UK and in the US, can you just take us through therefore your view over the coming 12 months and how you think you will be able to obviously charter through that environment?

SIR FRED GOODWIN: I don't want to go into a debate whether we are 75% in or what, but I think, yes, to the general thrust, we are making our way through one crisis and we might be getting towards a good old fashioned slowdown elsewhere. That said, it feels like if the US is going into recession - I suspect it's already in actually!

I also think, and certainly past experience suggests it, that the US comes out of these things almost as quickly as it goes in. Certainly it feels like economic conditions have been tough here for a little while now and certainly what we are seeing in house prices is pulling the floor away from a lot.

I wonder, with interest, as so much hangs on what happens to the house prices, any signs of that, the drop slowing off. I think it has been interesting to see the delinquency data looking flat for the last month or so. If that was to find its way through into house prices flattening out, I think you could see things starting to pick up here actually quite quickly.

But as far as the US is concerned, if I remind you of the slide I put up about our business here, it is still a deposit-led business. It is not all geared into lending, but in the event of a slowdown you would certainly see asset quality come under pressure and that is why it is no

coincidence I mentioned the figure of our annual impairment charge, which is about 18 basis points on capital.

It depends on how bad you want to model it. If you want to model a very bad recession here or a very bad slowdown in the UK, or anywhere else, then the most obvious place it comes through is into credit cost, so a doubling of our credit cost would cost 18 basis points. It does feel like what's going to happen, but that would be the obvious place for it to manifest itself.

It doesn't feel like the UK is heading for recession. It feels like we are going into quite a slowdown, and that's why I said at the outset the one that really takes me there is the deposit piece as a lead indicator, because employment is still good - and I am sure you know this as well as I do - but a lot of the metrics are still actually okay by UK standards, particularly employment.

The population is at a record high, employment is at a record high, but when you see deposits picking up then you get a very clear sense that people are starting to behave differently, and once people start buying less it doesn't take long to find it way through into a slowdown in the rest of the economy.

But as you could also see from the slide, if you look at our businesses in Asia and elsewhere the growth rates are all still strong and it feels like a very different world the further you are away from London or from New York.

Alistair Ryan (UBS): There will be a break-out session with Sir Fred and Guy right next door. But there is time for just one more question!

SIR FRED GOODWIN: There's someone at the back there!

QUESTION: Can you briefly give an update on those who are interested, in terms of the RBS Insurance sale, and how that's progressing?

SIR FRED GOODWIN: Yes, there is a list of parties who have made themselves known to us for RBS Insurance and they will be getting a Sales Memorandum very shortly, and there will then be a structured auction process.

Thank you very much, everyone. (Applause)

Alistair Ryan (UBS): Thank you very much indeed.

(End of Session)