

New branches The Royal Bank of Scotland and NatWest have continued to extend their branch networks. When Clydesdale Bank closed its branch in New Deer, Aberdeenshire, we worked with the local community to open a Royal Bank of Scotland branch in its place.



Retail Markets continued

- Retail Markets was the fastest-growing UK Bancassurer in 2006, with sales increasing by 56% to £267 million annualised premium equivalent in 2006 and 116,000 customers taking out £8.9 billion worth of life assurance cover.

- In response to simplified pension legislation in the UK, Bancassurance modified and re-launched our Stakeholder Pension Plan and introduced a new Self-Invested Personal Pension Plan. We also launched a website providing customers with detailed information on the new legislation and an interactive tool to help them assess its impact and decide on their best course of action.

- We have introduced significant changes to our Bancassurance administration processes and systems. These help to process our customers' applications faster, and include a new telephone support team and a new, shorter application form.

Business Banking

- The Royal Bank of Scotland and NatWest are the market leaders in small business banking in the UK.

- In 2006, over 53,000 business customers reviewed their banking needs with one of our 200 Financial Planning Managers.

- NatWest Business Banking provides an extended hours, telephone-based, full banking service with access to a dedicated business relationship team for over 44,000 customers. The number of NatWest business customers using internet banking regularly has increased by 28% in 2006.

- We piloted Shariah Commercial Property Finance in Leeds and Bradford to provide Muslim customers with compliant finance options.

- The Royal Bank of Scotland provided facilities for farmers to accept their support payments in euros.

- Mentor, our business advice service for employment law, health & safety, and tax, assisted more than 22,000 customers last year.

Cards & Direct Finance

- Chip & PIN capability was successfully completed in February 2006. Implementation of this, together with other fraud prevention initiatives, contributed to a reduction in fraud losses in 2006 for our core Retail credit card portfolios.

- The relationship with Bank of China gives us access to one of the fastest-growing cards markets in the world, and our joint business has issued 1.2 million cards in China.

- In merchant acquiring, through our brands including Streamline and RBS Worldpay, we are the largest in traditional and internet payments in the UK and continental Europe, and No 4 globally for traditional payments. We are the largest facilitator of e-commerce payments in Europe and processed 360 million transactions via the internet in 2006.