

Ulster Bank Integration In 2006 we successfully completed the integration of Ulster Bank and First Active onto the RBS technology platform. This was a complex programme involving the integration of three banks and two currencies in two jurisdictions. 2.5 million customer accounts and £30 billion of customer balances were transferred.



Highlights of 2006

■ Ulster Bank integration was the Group's biggest integration project since NatWest, involving nearly 2,000 business and technology staff across the Group. It was a complex programme involving the integration of three banks and two currencies in two jurisdictions. The Ulster Bank integration successfully migrated systems and processes from Ulster Bank Retail and First Active onto the RBS group Manufacturing model. This involved moving 2.5 million customer accounts and £30 billion of balances to the RBS group platform in a single weekend.

■ Ulster Bank Group is now well positioned to take advantage of existing RBS products and services and future developments on the Group's platform. As a result of this integration, our core retail systems now support euro processing, and will be able to support any future euro-based brands.

■ On our busiest payment processing day in 2006 we processed over 100,000 outward CHAPS payments, worth over £118 billion. We are among the top 10 senders of SWIFT payments globally.

■ In 2006, the Royal Bank of Scotland and NatWest brands had 2.3 million customers banking online, an increase of 33% from 2005.

■ Our customer contact centres generated more than 1.57 million sales leads during 2006, compared with 1.17 million in 2005.

■ In 2006, staff processed over 13% more new mortgage applications per person, compared with 2005.

■ Corporate Service Centres opened 123,000 new accounts in 2006, a 13.8% rise over 2005.

■ Lombard Operations supported 17% growth in UK new business deals for Lombard Asset Finance.

■ We successfully won and implemented the handling of Tesco's England and Wales cash, coin and clearing business, equalling a total cash and coin business of £9.6 billion, and processing of eight million cheques per year.

■ Recently the Group launched the Welcome Account, which provides the increasing number of Polish speakers in the UK with a current account, a money transmission account and a debit card. The service also offers a dual-language website and an option to talk to a Polish-speaking customer service adviser.

■ We created a telephone service for Private Banking customers allowing them to make transactions and speak to an adviser round the clock. We have supported the significant business growth of Coutts with a 20% increase in the number of new accounts opened and an increase of 22% of payments processed.

■ By training people in multiple skills and adopting flexible working hours we are able to redeploy staff to areas of peak demand. This increased flexibility resulted in call centre staff handling 11% more calls per person than in 2005.

■ We continue to reap the benefits of using UK Mail to distribute our correspondence around the country, with Royal Mail providing final delivery to our customers in a process known as 'Downstream Access'. In 2006, 331 million items were delivered using this method, generating savings to the Group of over £10 million.

■ The Group collaborates with two charities, 'Green-Works' and 'Recycle Scotland', to recycle surplus office furniture for re-use by non-profit organisations, donating over 1,700 tonnes of office furniture in 2006 for use in schools, hospitals and community groups.



Polish bank account With over 300,000 Polish speakers now resident in the UK, NatWest has launched the first dedicated Polish bank account in Britain. Special features which meet the needs of the Polish community include a second account to allow the transfer of money to family members in Poland, a dedicated Polish call centre and all Polish material available both in print and online.

Selected awards

World-class global sourcing leaders – Group Purchasing
A. T. Kearney Assessment of Excellence
in Procurement study

World-class real estate organisation – Group Property
University College London (UCL)

World-class Management System for Hub and
Spoke Operations – Manufacturing Operations
University of Warwick

Best Banking Provider – Direct Banking
Your Money Direct Awards

Learning Organisation Award – The One account
Unisys Service Excellence Awards

Corporate Occupier of the Year Award
Scottish Property Awards.

Compliance Initiative of the Year – Group Technology
Banker/FT

Project of the Year, Private Sector – Group Enterprise
Platform
Techworld Network Awards