



Q1 Results 2015

MEDIA Conference Call

Held at the offices of the Company
280 Bishopsgate London EC2N 4RB
on Thursday 30 April 2015

FORWARD-LOOKING STATEMENTS

This transcript includes certain statements regarding our assumptions, projections, expectations, intentions or beliefs about future events. These statements constitute “forward-looking statements” for purposes of the Private Securities Litigation Reform Act of 1995. We caution that these statements may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements. You should read the section entitled “Forward-Looking Statements” in our Q1 Results announcement published on 30 April 2015.

RBS

Ross McEwan, Chief Executive

Ewen Stevenson, Chief Finance Officer

Introduction

Ross McEwan, Chief Executive

Good morning to all. Thanks for joining us for this Q1 call. But it feels like yesterday I was talking to you about our full-year results so we'll see what comes out today.

These results reflect where we are in our plan to be a much simpler, stronger and fairer bank essentially we've put the recovery plan at three phases. The first phase was 2014. Now our aim was to get our capital up, cost down in a simplified structure for the bank. And this gave us the financial strength as we talked about in February to go further and faster.

We are now clearly in phase two and there are two clear jobs here. First is to accelerate the transformation of our core businesses. The second is to run down the exit bank and get through as much of the restructuring and conduct charges as the time scales and the court dates allow. So that's the 2015 job, the phase that we are clearly in now.

Next year, our plan moves quickly to phase three some of the performing bank with improving customer scores, high returns and getting beyond the majority of the exceptional items that overshadowed the profitability of our core business.

Today's number showed that the underlying performance for the bank is good with an operating profit excluding restructuring and conduct charges of 1.6 billion pounds. That's up 16 percent 12 months ago, but there is an attributable loss of 446 million pounds. So while we are pleased with the results at an operating level, neither Ewen and I are pleased to be announcing an overall loss, and we will only be completely satisfied when we see the profit showing on our bottom line.

We set out in very clear terms in February the parts of the bank that we will keep in strengthening. This is our core go-forward bank. And we outlined those parts of the bank we will sell or rundown what we're calling the exit bank.

Good progress has been made on the exit bank over the last quarter. We delivered a second successful offering of shares in Citizens. We announced the sale of our international Wealth business. We started disposals within our CIB

business including the sale of corporate loan books in North America, the sale of our Middle East in operation, and the sale of our Kazakhstan business. And we're continuing to run down our RCR. All of this has contributed to another increase in our capital ratio to 11.5 percent, making us one of the most strongly capitalized banks in the U.K.

We have extremely attractive market positions across our core customer businesses, and we've seen underlying profits up in both our Personal and our Commercial businesses. Growth in our mortgage book continues. We're also seeing encouraging sites in our lending into the smallest businesses.

This quarter also sort of start to do some good things with our customers. They can now log on to their mobile banking using only their fingerprints for security, and we're the first bank to offer accessible cards to customers with visual impairments, so that means tens of thousands of people just making their banking easier. We're proud of that. And we've also upgraded our mortgage platform and added more mortgage advisors. But we are quite clear much more is needed to win back the trust of our customers and we still got lots to do in this space. Regaining customer trust is of paramount importance, and we work on that every day.

Finally, let me repeat and underline our caution for the coming year. This is going to be another tough year as we restructured this bank and focus bank on our strengths here in the UK and to the Republic of Ireland.

There are still many conduct and litigation hurdles looming on the horizon. Putting these issues behind us is a vital part of our plan. This is phase two. And we can assure you I am looking forward to the day we can focus entirely on the future rather than deal with any legacy issues. This bank is resolutely determined to earn the trust of its customers every day and determined to reward each shareholders for the years and years of support.

Thank you very much for your time. I'm now going to hand over to Ewen for more detail on the numbers, and then we're very happy to open up for questions. Over to you, Ewen.



Ewen Stevenson, Chief Finance Officer

Thanks, Ross, and good morning everyone. With these latest results, we're very encouraged by the further progress we've made in delivering against our strategy to become the best UK bank for customers.

One quarter into the year, we remain firmly on track to achieve all of our 2015 financial targets. Key points I would highlight, firstly, on the exit bank, we're making excellent progress, on track to achieve our year end 2015 target of less than 300 billion pounds risk-weighted assets. We have reduced our shareholding in Citizens by a further 30 percent since the start of the year.

In order to achieve partial deconsolidation, we're working on the basis that we need to reduce our shareholding to at or below 35 percent. At a 41 percent ownership position today, I am very confident we'll achieve those ahead of year end.

We've also announced the sale of our international private banking business to UBP.

The wind-down of our CIB legacy portfolio has started well, albeit it's early days. In the US in two separate transactions since February, we've already agreed the sale of about two-thirds of our North American corporate loan book that we've identified to exit. We've also exited the first of our 25 countries – Kazakhstan. Sold a material part of our UAE franchise and a number of other small legacy assets and shareholdings.

With all of this activity across CIB legacy, we feel comfortably on track at this point to achieve our 25 billion pounds risk-weighted asset reduction target for 2015.

Equally, we are making ongoing good progress with the accelerated rundown of RCR. We've reduced risk-weighted asset equivalent by a further £5.6 billion during the quarter and the process that enabled us to produce a small operating profit.

Our forward deal pipeline and RCR remains very healthy. We're very confident of achieving our goal to complete the targeted rundown of RCR by the end of the year, one year ahead of our original plan.

Turning to our capital and leverage position, our Core Tier 1 ratio improved 30 basis points over the quarter to 11.5 percent. It's now up 290 basis points over the last five quarters. And our leverage ratio was up by a further 10 basis points to 4.3 percent. On our target Core Tier 1 ratio of 13 percent, we remained confident in achieving this by the end of next year.

Turning to our go-forward bank, customer confidence in both the U.K. and Ireland is robust. Net lending across our UK Personal bank and Commercial was up 2.5 percent on annualized basis. Lending growth in our Commercial portfolios was particularly pleasing with strong new net business growth of 1.3 billion pounds. Mortgage lending in our UK Personal bank a slow start to the year but accelerated towards the end of the quarter with application volumes up 10 percent year-on-year. In context, March was our best month for new mortgage business over the last 15 months.

On Corporate and Institutional Banking, performance was in line with our updated plan. Income declined 40 percent versus the first quarter of last year, reflecting the impact of our planned business reshaping, most notably, the exit of our US asset-backed business. Risk-weighted assets were down 27 percent year-on-year.

Given both the seasonality of this franchise and the ongoing reduction in its scale and scope, we do expect quarterly income for Corporate and Institutional Banking to full during the remainder of this year. On impairments, we had net write-back of a net 91 million pounds during the quarter. We continue to benefit from benign credit conditions in our core franchises together with ongoing net write-backs in RCR.

Finally, and importantly, we're delivering against our cost reduction objectives. Excluding restructuring and conduct charges, operating expenses were down 15 percent on first quarter 2014. And we're on track to deliver our targeted 800 million pounds reduction over 2015.

On restructuring cost, we expect these to remain high during this year and into next. We've got four major programs concurrently running that's driving this, namely our core bank transformation program; secondly, our wind-down of CIB's legacy business; thirdly, preparing Williams & Glyn for a post-summer 2016 IPO; and finally, preparing for ICB.

So in summary and despite the attributable loss, we view those as a good start to the year in line with our expectations at this point, and we're just getting on with it.

I'll now hand back to the operator to open up the call for your questions.

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Operator

Thank you, Ewen. Ladies and gentlemen, if you would like to ask a question, please press the star key followed by the digit 1 on your telephone keypad. We will pause for a moment to give everyone an opportunity to signal for questions.

We will take our first question from the line of Matthew Scuffham from Reuters. Please go ahead.

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Matthew Scuffham, Reuters

Good morning. Just two questions. First, you're saying you have advanced settlement discussions with the DOJ. Can you give any kind of clarity on when you expected this? Would it be in this second quarter?

Secondly, in the past few weeks it's been announced that two key executives, Rory Cullinan and John Maltby, will be leaving the bank at a much earlier point than expected. In particular, Rory had only been in this position for a matter of weeks. Can you put to bed any speculation that there's disharmony behind the scenes and perhaps give reassurance that you're running the happy ship of RBS?

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Ross McEwan, Chief Executive

Let's just answer the first one just on advance settlement, we'd expect to see those in the second quarter, so just confirming that we're hoping to see a round of FX issues.

And on the second one, looked there were two totally unrelated exits from the business. On Rory, there was absolutely no disagreement on the strategy. It was more around the implementation. Unfortunately, these things do happen in large organizations. And at the end it was mutual agreement that we parted company. I think the executive teams are in very good heart and good shape, delivering as we promise to do.

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Matthew Scuffham, Reuters

OK, thanks.

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Operator

We will take our next question from the line of Richard Partington from Bloomberg. Please go ahead.

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Richard Partington, Bloomberg

Good morning, Ross.

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Ross McEwan, Chief Executive

And hi, Richard.

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Richard Partington, Bloomberg

Hi there. A couple of quick questions if I may, the first one is on the departures in CIB. Have you got any more clarity on the numbers of people who may go from that business?

And secondly, given the statutory loss and the ongoing restructuring charges that we're seeing, I mean, does this dent the government's plans to sell RBS shares anytime soon?

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Ross McEwan, Chief Executive

Just – we haven't put out a number on the CIB departures for a very clear reason that as you've seen over in the US, where we've sold the business. A number of our staff have actually gone with the businesses themselves. And I think it's just unfair to go out with a sort of ambient claim on numbers. We have said that it will be substantial, but we are working with our staff and the unions and each of the buying – hopefully buying parties, to see if we can accommodate our staff moving across.

On the second question, we're doing actually what we said we would do this year, which is tidy up the business from a restructuring perspective and getting as much of the contact and litigation out of our way so that we just create the normal bank that we want to become and strive to become a much simpler bank.

I think that does help the plans of the government because it's a much cleaner, clearer business that they will be able to sell. But they're two unrelated issues. We're just getting on with the job as Ewen said, of getting back to our core businesses. And I think that does help investors see what we are – a really good UK-based franchise that has fantastic market positions, and you see their underlying performance today.

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Ewen Stevenson, Chief Finance Officer

Yes, I mean, if you look in terms of what we announced in February where we sort of clearly set out, I think, for the market, a go-forward bank that we're striving to achieve and the exit group that we're looking to rapidly run down.

In the slide deck that will be on our website on slide 12, we've updated that analysis. You'll see that the go-forward bank is a really good bank. It made a 13 percent return in the first quarter, and that's what we're accelerating towards.

Richard Partington, Bloomberg

OK. Thanks.

Operator

We will take our next question from Max Colchester from The Wall Street Journal.

Max Colchester, The Wall Street Journal

Hi. Two questions. Firstly, the restructuring charges of around 450 million pounds, should we expect that to kind of stay about that level quarter-on-quarter as we go through the year. And also as part of that I saw that you guys have done some stuff on property, over property charge. Is that related to your Stanford operations? And the second question on MBS, you guys increased the provision for that. Any kind of clarity as to when that will be settled?

Ross McEwan, Chief Executive

Just – we'll start with the final one, MBS. We had in any form of conversations the – that we do expect those to come in the second half of the year hopefully. I said I'd like to get as many of these issues out of our way of 2015 as we possibly can. But they are related to court cases, more related to the date of court cases, which dictates the timing.

Yes, we have taken a write-down on the Stanford property, we will still occupy parts of that building, but it was seen as fair given that restructuring with our Corporate Institutional Bank that we don't need to write that down. And I'll leave Ewen to chat about any of the restructuring charges that have gone through as far as we gave an indication. This year I think would be about 2 billion pounds of restructuring charges coming through somewhere around that. You see ...

Ewen Stevenson, Chief Finance Officer

So, Max, I do think you'll see, you know, the 453 million pounds that we announced, 277 million pounds of that relates to the write-down of Stanford. The bulk of the remainder relates to ongoing costs involved in the separation of Williams & Glyn that we're working hard on.

I think given all of the four programs I talked about before, you should assume that the costs are going to remain elevated this year. As Ross said, I think we would hope to be able to frontend load as much of our restructuring cost as we can rather than drag it out over future years.

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Max Colchester, The Wall Street Journal

OK. Thanks a lot.

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Operator

We will take our next question from Laura Noonan of Financial Times. Please go ahead.

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Laura Noonan, Financial Times

Hi. I just have two quick questions about the investment bank. The first is it looks to me as if total assets in the investment bank actually increased in the last quarter even though the risk-weighted assets fell. Can you talk a little bit about that?

And then the other thing is that we saw a lot of other investment banks that have had very strong first quarters on the trading book front. Has that given you any cause for thought in terms of actually changing how you're going to go about restructuring the investment bank? Thank you.

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Ross McEwan, Chief Executive

I'll take the later one. Now, we're very clear on the shape of our Corporate Institutional Banking operation. We got a clear path to get to that. We think it is the right thing for us and also for our customers, indeed their needs and so now we haven't – we haven't changed our view on that.

Ewen, do you want to just pick up on the total asset ...

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Ewen Stevenson, Chief Finance Officer

Yes. I don't think there's anything surprising on that for us or anyone else, you know, given that most counterparties were on their positions down ahead of Christmas, New Year period, and then put them back on in early in the New Year, and the volume of trading activities that go through in Q1, I think it's a seasonal effect. You will see across all the banks. I mean, as the year progresses, I think you will begin to see a more substantive rundown both in terms of RWAs and assets across their business.

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Laura Noonan, Financial Times

But – I'm sorry, just to clarify on that, your figure for total assets, if it's seasonal, is also higher for the figure at the end of – at the end of March last year, which would also resemble you've had the same seasonality.

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Ross McEwan, Chief Executive

Yes, that would – that would be the case both. I think that would – as Ewen said, that would be the case that they are up. It is seasonal. But I think you'll see some of the assets starting to come off as the sales to likes of Mizuho and the others come through because they don't take effect into the next quarter and one other later in the year, so you're going to start seeing the assets coming down over the next three quarters. But it's just purely seasonal in first quarter.

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Operator

We will take our next question from Jill Treanor of the Guardian. Please go ahead.

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Jill Treanor, The Guardian

Oh, Good Morning. Could I just ask you to be a little bit more specific about what's going on at Stanford? How much of that building are you now still occupying? I'm just trying to understand this write-down.

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Ewen Stevenson, Chief Finance Officer

Well, so, Jill, in terms of what we've done on Stanford, obviously, we ran down our asset-backed business last year there, which, you know, which was a significant part of our US operation. And we're now in – rapidly as I said running off various parts of the business so far in terms of the Mizuho announcements that will be about two-thirds of the corporate run book that we were looking to exit.

So, yes, in terms of the write-off, the write-off is about 400 million dollars, writes the business down to about just over 100 million dollars. I think we're occupying. It's an 11-floor building. We're occupying quite a few floors currently, but we expect to occupy less floors and we are currently out talking to some prospective tenants as well.

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Jill Treanor, The Guardian

OK. I just also wanted to ask really specifically about these fresh wave of conduct and litigation charges, I mean, you know, taxpayers has bailed out this bank seven years ago, poured 45 billion pounds in it. And here again, extra sets of conduct charges, when is this stream of scandal going to end?

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Ross McEwan, Chief Executive

The thing we need to do is just make sure that what we're doing today doesn't create new conduct issues, and we are spending a lot of our executive time on

making sure that what we're doing with both product and customer interactions is exceptional and focused on their needs. But you are still seeing across the banking industry some of these issues still coming out. Many of the things that they even look back on even though they are fresh, but still back into the 2008-2009 period of time, which is what we saw with some of the FX cases.

But unfortunately, you know, we're getting through and then we're just not going to tolerate this sort of activity going forward in our business, and I've made that quite clear. And we want to be a much simpler bank that we can control and we just want to – you know, in their trust bank and, you know, I just won't tolerate the activity that's going on in the past.

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Operator

We would take our next question from James Titcomb of the Telegraph. Please go ahead.

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Ross McEwan, Chief Executive

Hi, James.

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James Titcomb, Daily Telegraph

Good Morning. Just a couple of questions on the litigation charges, 856 million, can you sort of break down exactly sort of what that is in terms of FX or MBS and so on?

And I was just wondering if you give more detail on why you sort of provided an MBS charge if it's going to be later this year and then, obviously, I won't expect sort of– the sort of final impairment to be a lot bigger than what's been taken today.

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Ross McEwan, Chief Executive

James, I'll get Ewen just to go through some of the detail there, but there are many parts of the RMBS claims, just not the one. There will be many parts.

And there were just one portion of it that we have taken a provision on this time around.

But, Ewen, if you – do you want to give some just ...

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Ewen Stevenson, Chief Finance Officer

Yes, look in terms of the charge we have taken an additional 500 million dollars for FX, about 334 million pounds. We also took, as you'll recall, a similar charge into Q4. So in total we have about a 1 billion dollars provision now, which we think is adequate for all of the discussions that we can foresee in the US.

The US RMBS charge that we took is in relation to one specific court action and is not part of the sort of broader set of settlements that we envisaged we're going to have to make to the FH – on the FHFA claims and the Department of Justice.

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Operator

We will take our next question from Angela Jameson of the Evening Standard. Please go ahead.

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Ross McEwan, Chief Executive

Hi, Angela.

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Angela Jameson, Evening Standard

Good Morning, hi. Two questions. First, do we actually know which areas are we impending litigation and conduct issues are in that are going to occur this year? Do we – do we know roughly where they are or rather the more things to unfold? As you said, things do keeps coming out of the woodwork.

And then secondly, when are we going to hear about your new Chairman?

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Ross McEwan, Chief Executive

Just first off, Angela, you know, a lot of the conduct litigation is done by court dates and the timings that the regulatory authorities start talking to us just as they are to many other banks.

We've clearly laid out all those items that we are aware of in our last annual report, which gives I think pretty good, very good disclosure on all the activities that we're aware of, so they will give you an idea of the magnitude of them. And we are trying, as I said, to get as much done as possible in 2015.

On the second question, Howard Davies, our new Chairman, starts at the AGM in June. And I think you'll get a lot more exposure to them at that – at that point in time. I think you'd be delighted to catch up with people, but Philip is still very much in the seat at this point in time until the – after the AGM.

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Angela Jameson, Evening Standard

Thank you.

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Ross McEwan, Chief Executive

And he starts also as the Chairman in September of this year, so I think you'll see a lot more of them coming through that period of time.

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Operator

We will take our next question from James Salmon of the Daily Mail. Please go ahead.

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James Salmon, Daily Mail

Hi there. Just a couple of things. You talked about Rory Cullinan and the fact that you agreed about the strategy, but it was just a disagreement about the implementation. I just wonder whether you could flesh this out a bit more. I

mean, are we talking about speed of implementation for example in the investment bank?

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Ross McEwan, Chief Executive

Well, look, as I said, there was absolutely no disagreement on the strategy. It was around how that was going to be implemented. And as I've said, also again, you know, these things happen in large organizations. And, you know, we are delighted that we've got Chris Marks and Mark Bailie who were sitting there in the business, who are able to step-up to the executive roles and they're doing a fantastic job of implementing the strategy that we set out.

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James Salmon, Daily Mail

And you also said we should expect another tough year. By that, do you think that we should be expecting another loss for the year?

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Ross McEwan, Chief Executive

It will be – I mean, a tough year. And in the sense that we are restructuring very heavily our Corporate Institutional Bank, we've made it very clear. We want to take out 800 million pounds of costs out of this business, which, you know, does cost you money to take it out.

We've got the conduct and litigation that you've seen this quarter. It's not over. As I said, it points to our Annual Results document last year that came out in February. Have a look at that. There's a lot of things that we want to clean up this year so that we get back to this core bank that's a lot simpler.

You've seen us build and strengthened on our capital position and which got to get starting to focus this business back on its customers, which is where the great franchises are. So it will be a tough year. But we – it is very much planned, and we're just getting on with implementing the plan we set out in February.

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Operator

We will take our next question from John-Paul Ford from the Press Association. Please go ahead.

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Ross McEwan, Chief Executive

Hi, John.

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John-Paul Ford, Press Association

Good Morning, I think what you're saying about the – about some ForEx charges for this quarter and the previous quarters seems to imply that the DOJ settlement will be around 1 billion US dollars. I'm not sure if I'm adding to make five there, but it sounds like that's what you're saying. And I just wonder if you can give me clarity on that.

Also, just around the other – some of the other litigation and conduct charges if you take a 334 for ForEx this quarter 100 for PPI, but there is 257 for other customer redress. And I wondered if you could talk about what that might relate to.

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Ross McEwan, Chief Executive

Well, first off from the DOJ, we don't believe the number will be that high, but it will be out – it will be out in the next couple of months. We're in – still in final discussions with the DOJ. We have just been prudent in taking the position now, but we don't believe it will be as high as you're talking, but its still to finalize.

Yes, there are additional charges on FX, used to additional charges on PPI. We also have some charges for sort of investment remediation that we're doing and some increasing complaints around our package account, so it's across a broad range of areas that we've been prudent in taking additional provisions for.

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Ewen Stevenson, Chief Finance Officer

Yes. In relation to FX, it's not just the Department of Justice, there's various parts to the US investigations across other authorities.

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John-Paul Ford, Press Association

Yes, OK. Just going back to those other payments, are those – are those areas where you've – where you had to make provisions before or is it new that you are setting aside ...

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Ross McEwan, Chief Executive

Yes, we have made provisions before in all of – all of those areas...and we're just making sure that they are – they are prudent enough to – you know, to be able to cover the charges that we see of remediation.

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John-Paul Ford, Press Association

Yes. OK, thanks.

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Ross McEwan, Chief Executive

Thanks, thanks, John.

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Operator

OK. We'll take our next question from Simon Bain of the Herald. Please go ahead.

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Simon Bain, The Herald

Good morning, Ross.

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Ross McEwan, Chief Executive

Hi there.

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Simon Bain, The Herald

I was looking at the trust score. It's so much better than NatWest than it is for RBS in Scotland, isn't it although it is improving? Any comment – any comment on that?

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Ross McEwan, Chief Executive

Yes, look – well, first off it's a delight to see that the work that we're doing with customers is improving the trust score because that's sort of what we are founding our reputation on here. The result – the NatWest has been less affected by the areas that hit this bank. And I think RBS will be a lag in coming out and improving in the areas about trust and customer service because you're seeing it lagging in the customer service areas as well. So we got a lot more work to do under the RBS brand and it's mainly to do with our reputation and how people are feeling about the brand and the business. So a lot more work to do in RBS.

NatWest is fairing OK, but I'd say only OK, we still got a lot of work to rebuild the trust with customers in NatWest and the service levels as well. But early signs and any early leading indicators we look out underneath those scores are positive. But this is going to take, you know, another five years for us to get to that number one score that we set targets on for 2020.

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Simon Bain, The Herald

Fine, thanks very much.

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Operator

We will take our final question from Christopher Spink of IFR. Please go ahead.

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Christopher Spink, IFR

Oh, hi there, Ross. I just wondered with the election ahead what the prospects are that in the next parliament you might start paying a dividend. Lots of other banks are – have already flushed out some dividend policies. But I suppose it's contingent with further share sales or can you give any clarity about the longer-term over the next parliament?

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Ross McEwan, Chief Executive

Well, first thing we need to do is get the bank back into the shape we wanted, which is a UK structured bank. That's our first priority.

Secondly, with the capital plan we have we do believe we're going to have excess capital in this bank over the next three years, and we will want to get that back to the shareholders. And it's not until we really start getting the underlying business without all these one-offs that I think will be in better shape to pay a dividend.

So we're separating some of the capital repayment based on our divestments of the businesses that we're going through at the moment from what you call a dividend. But our plan is around having excess capital that we can distribute back to our shareholders. And I think that our aim is certainly to have that over the next parliamentary session.

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Ewen Stevenson, Chief Finance Officer

Yes, I think we've been clear with people around our full-year results. We want to get to a 13 percent Core Tier 1 target to complete our safety and soundness agenda. We think we will be there by next year. As Ross says, at that point, based on our plans I think in – and based what you can see in sales side analyst research that the business does become very capital-generated.

We think it's important that we've made very, very clear statements, obviously, subject to PRA approval, but our commitment is to return capital above that 13 percent Core Tier 1 target when achieved. And we do think it's important as

part of the normalization of our story to be seen and now paying dividends again back to our shareholders for many years.

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Christopher Spink, IFR

OK.

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Ewen Stevenson, Chief Finance Officer

...there is one technical, obviously, we do need to pay the final 1.2 billion pounds to Treasury to finally set all the dividend tax this year ahead of that.

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Christopher Spink, IFR

Yes, OK. Thanks very much indeed.

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Ross McEwan, Chief Executive

Thank you.

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Operator

Thank you. I'll now hand back – thank you, Ross, I'll now hand the call back to you for closing comments.

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Ross McEwan, Chief Executive

Thanks very much, Kelly. And thanks for joining us this morning, these results show progress on our plan. You know, we want to be much simpler, stronger inferior bank and we're focused on our customers seated here in the UK and the Republic of Ireland.

I think you'll see for our first quarter results a good start of the year, good underlying performance and our core businesses at 1.6 billion pounds, up 16

percent, and we're making really good progress on the exit bank through the sell-down on Citizens' shares, sell agreed on the international private bank and scaling back our Corporate Institutional Bank. So, really good progress.

It is going to be another tough year as we get through as much of the restructuring and conduct charges as time scales and court dates allow. And I think we've been quite clear on that sort of phase two of our plan being 2015. But, you know, this is a bank on track delivering on its plans and determine to win back the trust of its customers. And in the end, we want to reward our shareholders for their support.

Thanks for your time this morning, and have a good day.

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