LLOYDS BANKING GROUP PLC – 2018 STRATEGIC UPDATE PRESENTATION – BREAKOUTS

MAXIMISING GROUP CAPABILITIES – ANTONIO LORENZO & DAVID OLDFIELD

WEDNESDAY 21 FEBRUARY 2018

<u>Question and Answer Session</u>

Session 1

<u>Question 1</u>

Just a question on mortgages. You talk about opportunity obviously a lot, your business picked up by 20 per cent in the Other Operating Income line at the Group level and ’16/’17 was quite a disappointing result. When you talk about growth, what can we think about revenue growth coming from the Insurance business and the Wealth side of things in particular. And why haven’t you considered products like lifetime mortgages, for example, which the FCA is now trying to push and insurers are pushing as well. You seem very well placed for that, considering the interest-only mortgages that Lloyds Group has and retail banking has.

Answer: Antonio Lorenzo

As I said, we are planning to have a double digit growth income in all the Financial Planning & Retirement initiatives with as I said, we have the back books that all the insurers have and the front books and our expectation is to grow double-digit and more than offset the declining book in the back book. This is first. So our expectations are that our income will grow through the plan and we will have positive returns at the high level as you have heard before. The target for the Group is 14-15 per cent. We envisage to keep our returns of tangible equity about 16 per cent. This is the picture.

And in terms of the product you mention, at this point in time you said, the FCAs is having some interaction with us and with the industry, but still they are not fully, well it is very difficult to think that it is difficult to see something is fully committed because it depends on the circumstances of the market. But it is an interesting proposition for us, but we are not on that proposition at this point in time, considering we want to be clear that all the conduct issues are well landed and are well sorted.

Further question

Are you concerned about regulatory rather than capital deployment?

Answer: Antonio Lorenzo

No, capital is not the issue, it is much more the conduct. And it’s not the regulation, it is much more about the conduct. How we see that is the right product for our customers.

<u>Question 2</u>

On the Commercial side, I guess the burning question is you had two pretty large profit warnings from two large corporates. The ONS data kind of reclassified in November, just that the kind of the health of the corporates might have overestimated. How do you see the kind of worry, what you see in the UK over the next year in terms of losses? And also corporate activity?

Answer: David Oldfield

Sure. So we have a very good quality corporate business, remembering we are spread from those smallest business banking customers up to the largest Global Corporates and FIs. We have a good, well spread and diversified portfolio. We have been conservative in terms of our risk appetite for a long time now so that doesn’t avoid the risk of the old fallen angel and we all know about the kind of Carillion type example. But we have been conservative in terms of our approach to sectors and limits within sectors, hold levels. So we regularly do deep dives in terms of our book and our exposures for anything that we think needs further attention, but we sit here today very comfortable in terms of the level of risk in the book.

Further question
And systemic UK, a wider UK view, are you worried? Your book might be lower risk but one of your peers yesterday talked about doing a study of the second derivative implications of all the profit warnings, what are your views on that?

Answer: David Oldfield
So we do that. I mean clearly by being, we are a significant player in business banking and SMEs, so we are always thoughtful of kind of supply chain exposure and Carillion was a good example where we were the first bank to come out with the support for small business customers - we launched a £50 million fund for small business customers who were impacted by the failure of Carillion. So we are very cognisant of the kind of downstream issues. But again my answer remains the same that we are very comfortable with the risk that we have got in our book. It is well diversified and it is well understood.

<u>Question 3</u>
James Invine, SocGen
A question for Antonio. It was great to hear Antonio that you are going to push up the market share in Corporate Pension, but I think last time Lloyds gave a market share chart, it showed that your stock market share was more like 17 per cent. Are those numbers comparable?

Answer: Antonio Lorenzo
They were not comparable. We were working in what we call the addressable market. For example we were not operating in large corporate. Our proposition came from places of 15 employees to no more 5,000 employees and this is the way that we were measuring at that time. And this was about stock as well and now here we are speaking about flow. So they are not like-for-like. So the stock in that sense could be in lower teens.

Further question:
What sort of revenue margin are you getting on these new assets?

Answer: Antonio Lorenzo
I think the margin here is around 35 basis points, more or less. You know that there is a cap of 75 basis points in the market.

<u>Question 4</u>
Jason Napier, UBS
One for each of you please. On the Commercial Bank. I appreciate you don’t target non-SME and Mid-Market loan book performance, but as you look at the balances you have got at the moment, is there anything wrong with the returns on that base, is it the kind of thing that grows with the economy and how do you think about that?

Answer: David Oldfield
The returns are very variable across the smallest to the largest clients, by definition. We have actually made a lot of very good progress in terms of the Global Corporate returns, and that has driven much of the improvement in terms of our overall returns of risk weighted assets. So we did have a tail of relatively low return assets, those have now largely been dealt with, either improved or managed out. So we are absolutely open for supporting our largest clients as well as the smallest, it tends to be pretty episodic in nature, but again we are pretty careful and prudent in terms of the kind of holds that we take and the durations that we hold for. But we are certainly in the business for large corporate support as well.

Further question
So the 4 per cent decline you had last year, that is not a structural thing?

Answer: David Oldfield
Global Corporates are so lumpy it just goes up and down on a few numbers of larger deals. Whereas SME and to some extend Mid-Markets is much more kind of flow business which Global Corporate isn't. It is largely non flow.

Further question
And then on the insurance side, I am sorry to be dense, but the goal of growing FP&R's new business revenues, just tying that back to the disclosures, is that with trying to grow the 95 million number from last year? Is that right?

Answer: Antonio Lorenzo
When we consider Financial Planning & Retirement, we are including the corporate pensions, we are including the individual pensions and we are including bulk annuities as well. So in a sense in the numbers that you have the life protection, life insurance is not a part of this. And the other part that is not part of this is long-standing customers. But the others are all part of this.

<u>Question 5</u>
On the relationship management side, what do you do with the improvement? Do you cut the number of Relationship Managers and reduce costs or do you improve the service?

Answer: David Oldfield
So in large part, it is about them spending more time on value adding tasks. So we estimate about 50% of an RM's time in the day is typically supporting administration and those sorts of things. So if you can digitise that amount, we are looking to invest that in the main in terms of quality relationships. Now at the same time, of course, we manage to cost:income ratio here so as we go through three years of the next plan, we will be able to toggle that depending on how we get on in terms of business performance. Certainly in the short term, certainly for the larger corporates it is about value add for those clients. At the smaller end, we have clearly got digital and self serve and we will see how our clients deal with us over the next three years in that kind of mix between face-to-face and digital.

<u>Question 6</u>
Nicholas Midgley, Santander Asset Management
On the insurance side, AVIVA believes that it can use its existing customer data to provide, for instance, a home insurance quote, every time its customers logon onto its portal. Given how many visits you have online in a year, is that something you advocate and consider doing?

Answer: Antonio Lorenzo
This is part of the concept, I have said, where we have an unprecedented situation. Because if we compare our framework, our future framework with MyAviva or MyAllianz, I think it is similar, we can compare, but the most important difference is that we can do exactly the same but with probably something between 5-10 times more visits. Very unusual, that's the difference. We need to be capable to deliver all of the information, but obviously you have the banking and insurance.

<u>Question 7</u>
Rohith Chandra-Rajan, Barclays
On Commercial Banking, how much of the new initiatives are based on growing OOI? So you've given us some lending numbers which will drive NII. What do you think that about other operating income?

Answer: David Oldfield
A good chunk is around fee income. So when I talked about transaction banking, things like trade and asset finance, supply chain finance, that typically drives fee income OOI rather than NII so I would expect to see a good number flowing through into that.

Further question
So if I then put that together with the comments about productivity, why don't you see an increase in your return on risk weighted assets?

Answer: David Oldfield
Well we are already miles ahead of the market. So for us now, as we pivot from focusing on returns, to balancing that strong discipline in terms of the book we've got today but also growing, that is why what we are guiding is broadly holding flat at the market leading level we are today.

Session 2

<u>Question 1</u>
John Cronin, Goodbody
There has been a long history in the UK with Bancassurance models and I think looking forward it makes a lot of sense in terms of the wider digital strategy but what makes you think it can work, or that this is what customers will want three years from now in the context of other competing businesses, development platform propositions, where they're able to channel more than just banking and insurance products into a customer base, albeit untested, and unproven at this point?

Answer: Antonio Lorenzo
Well I think that all these things that you have set out are right…

Further question
And maybe just to add to that, do you see optionality, and maybe this is a wider question around where the Group can evolve longer term, in terms of the distribution of other financial products and the customer base perhaps, or other non-financial products.

Answer : Antonio Lorenzo
Let me try to capture all the things you have said. In essence, one of the questions I have came across before was, 'Is this a bancassurance proposition? What happened in the past and what is happening now? Why now and why not in the past?' And obviously it is fair to say in the past we were working in a *push* strategy that people went to the branches and the advisers were there. And now our proposition is broader. We are not in denial at all, we are working a lot with intermediaries because most of these markets are driven through intermediaries. We will have this digital proposition that we will put together with the banking one, for the first time ever, and obviously that is unique for us - an interaction that we may have with the customers. Thirdly, we will know the customers better than before; previously we only had the opportunity to speak to them when they went to the branch. And therefore we will be in front of the customer in whatever channel they want and I would describe this as a *pull* strategy coming from the customer. Because as I have said, people are less prepared than ever for their retirement, because as time goes on defined benefit schemes are less important and people are less protected and need to save more in a low interest rate environment. In essence we see that people need help and we are offering help in an execution only way, advice or guidance. That is the proposition.

We believe that this is more robust than it was before going through our branch where all the things happened there or not. Here there are plenty of opportunities for interaction. Obviously the future will tell us if we are in the right place. But honestly, at this point in time, 75 per cent of the business is coming from intermediaries, there will be a change in the mix, but we will continue to be with intermediaries and as you have read, and I have mentioned, we will invest in a platform for intermediaries, not only to be in off-platform for individual pensions but also on-platform.

<u>Question 2</u>

Raul Sinha, JP Morgan

I just want to understand Antonio, how is your cost base geared to economies of scale given there is such a big intermediary proportion of your revenue? So the way I am thinking about it, if you were to combine with another big competitor and tried to find cost synergies in the insurance business, how much of your cost base actually is scalable, because you are going to be using a lot of intermediaries? So do you actually get efficiency of scale as you get bigger?

Answer: Antonio Lorenzo

I think there is no doubt that there is a big chunk of insurance business that will go and is going through consolidation. The corporate pensions transaction is a consequence of this and we are seeing that only 3 or 4 players can be successful in the corporate pensions arena. Zurich realised that, and others will realise later on. And the same will happen in protection etc. So we are prepared for more scale and we are building and creating platforms. Our expectation in the near future is that there will be less people in these markets. And as I have said: we are only one of the three composites insurers. There were more in the past, but the people are giving up so consolidation is there, synergies are welcome etc. But the opportunities; we need to see what will happen or not. But it is a consolidation market.

<u>Question 3</u>

Could you clarify, is this going to be open architecture or will it all be captive to Zurich and Scottish Widows?

Answer: Antonio Lorenzo

The way that we are working, first of all, it's open architecture in the sense that we are not the asset managers. So we provide funds. Specifically, for example, corporate pensions is a business that we are not in the market as an asset manager in the same way that for example, Standard Life are. It is generally open architecture, normally default funds, low risk in terms because customers are putting their pensions for long-term. The only thing that we are doing in some cases is strategic asset allocation, but obviously in default funds it is nothing magic there.

<u>Question 4</u>

John Cronin, Goodbody

Just in terms of market share gain opportunities in the Commercial business. Just around competition in that market that you're experiencing currently - anything interesting to call out and where are you confident that you can bolster your share?

Answer: David Oldfield

It is highly competitive - be it from business banking right up to Global Corporates. There is no doubting, be it new entrants or incumbents, there is competition. Why we are confident is, because we start from where we are today and not from where we were three years ago or six years ago. So whether you look at business banking at 20 per cent or you look at SMEs at 19 per cent, they are terrific franchises and we can bring the power of the Group to bear on those important relationships. We have been a bit more selective in recent years in terms of Global Corporates and FI but they are still great franchises now producing much stronger returns because of the efforts of the last three years or so. So I think in all of our segments we can win without moving away from what is a relatively low cost and low risk approach to that engagement with our clients. It doesn't mean it is an easy market, because others are pricing very competitively, but equally we are very clear that the business we don't want to do as well as the business that we do want to do.

Question 5

Will the RWAs come down again?

Answer: David Oldfield

Well materially I think we are saying RWAs will stabilise, we've spent the last of 3 to 5 years bringing those down and dealing poor returning assets. As we now pivot for growth particularly in that mid corporate space I think you can expect to see RWAs stabilise and over time slowly tick up. But importantly they will tick-up at what should still be market leading returns.

Question 6

Raul Sinha, JP Morgan

There are some pretty highly leveraged companies in certain sectors in the Mid Market segment and across the SME space and a lot of liquidations recently have caused distress across the SME sector. So every UK bank ended up with exposure to what was extremely high levels of debt and very low margins. What have you learnt from that experience and what gives you the comfort that if you go from £4 billion to £6 billion on net growth, you aren't actually exposing yourself to risk when there is more uncertainty?

Answer: David Oldfield

So we are prudent and we are low risk and we have been for some years. So that the big single name you talk about, we were the first bank to make provision in Q3 last year. We were one of only two banks to provide in Q3 and then we topped up in Q4. We do periodic deep dives in terms of particular sectors or industries. Clearly as some of the bigger names make their own calls in terms of some of the challenges they're facing, we are very quick to understand broader implications and the Carillion one, you will know what we did, we were the first bank to come out with the £50 million fund for the supply chain, the SMEs, the Mid Market customers of Carillion. So we are very attentive to the broader kind of market and segment impacts of some of the challenges that some of the big firms are playing. But we have always been selective in terms of our participation in that business. So if you take real estate, we have never done speculative CRE development, we are not in that at all. So we are, because we have been cautious and thoughtful for a long period of time, we are very confident in terms of the risk we have in our book today and the returns we are getting on it. And it doesn't mean you won't get the odd fallen angel, the Carillion type exposure, but that is the cost of doing business frankly. But the quality of our book is very good and we will continue to make sure it stays good even as we pivot for a bit of growth in that mid corporate space.

Question 7

Antonio, can I ask you about the sustainability of profits in the insurance business. You talked a lot about the growth opportunity and I agree, I think technology is quite exciting actually in allowing banks to steal market share. But about a third of the profits of the Insurance division came from assumption changes and other items. There is obviously a lot of things that go in there, for example the whole industry is benefitting from the fact that we are all living a little bit less longer, according to the stats. But how sustainable is the profitability that we are seeing and is there going to be a drag on profits from growth, i.e. it's a bit of a hockey stick when we think about the P&L?

Answer: Antonio Lorenzo

Well if I try to describe it as we see it. We have this existing book we are running and we make certain assumptions. And we are seeing that income here can go down, but at the same time we are growing in the new business and our view is that we will be sustainable and by 2020 we will see growth in the profits. The question is how quick and how good we are in terms of delivering the performance in terms of new business income. At the same time it depends on different circumstances which can drag on the longstanding customer position. But I think in essence, I believe we have left the worst behind in terms of the decline of several years in new business income and we have started to grow in some areas we will see growth going forward and we will offset this situation. I think we are pretty confident to get that level of returns that we are having and this is more significant.

Further question
Sorry, should we expect more positive experience variances and assumption changes, i.e. there's inbuilt prudence?

Answer: Antonio Lorenzo
By definition something that we know now should be in the accounts so, therefore, it is our best estimate that we have in the accounts.

Question 8
Can you talk about how your position and what your expectations are for bulk purchase annuity business?

Answer: Antonio Lorenzo
Well I think that it is a market where there is huge competition, but it depends on the market as well to how big the market could be. I think we are seeing some things going on in the market, big numbers and I think our expectations were that the market will grow and the market is growing. And the prices will be in a sensible place - they were not last year and this is the reason that we delivered a lower number of deals. The good news in terms of bulk annuities is, if we don't have the business, obviously we don't have the profits, but at the same time we have the capital and this is kind a win:win, I would like to see. My expectation is that still we will see more growth because there is £1.7tn of assets in defined benefit schemes that need to disappear and being in the hands of the corporates is not the best place to be.

Further question
So you don't see market share growing, per se, it is going to be reacting to the pricing?

Answer: Antonio Lorenzo
Exactly. We have seen last year, prior year we have around 20 per cent and this year we have 7 per cent because the pricing was not there.

Session 3

Question 1
Shane Finemore, Manikay Partners
It seems at first blush that the corporate banking business is the area where there is the lowest risk of mobile platform disintermediation and you have a big scale advantage in your total business in corporate. How do you leverage the fact that it is difficult to do, on mobile banking, to try to defend the other bits of your business that are exposed to those types of disintermediation risks?

Answer: David Oldfield
So I don't think you can view Commercial Banking as one business. We have got these segments from SME up through Mid up to Global and FI, and certainly at the bottom end in Retail Business Banking and in the smaller and more simple end of SME, it faces the same challenges in terms of automation and digitisation which is why we are trying to lead the way and we will use Open Banking and other investments in order to give our smaller business and SME clients that opportunity to do digital with us and self-serve in the way they want to.

Now as you move up the scale into Mid and Global, it is absolutely Relationship Managers that make the difference. But that said, we do need to continue to invest in those tools. It is the analytics, it is the insight. Because whilst clients still value Relationship Managers at that end of the continuum, what they want is that differentiated value-add insight. So that is where we are spending our time and energy in the coming period to make sure that we free up these RMs and the simple transactional activity they are spending much of their time doing today. But when they are sat in front of those larger clients they are bringing that insight to the table to help the strategic conversation.

<u>Question 2</u>

Alvaro Serrano, Morgan Stanley

On the Insurance Business. I realise there are parts of the business that are quite lumpy and we have seen it the second half of '17 that there was a step down. Is that the right level to then assume? You mention double digit growth, is that the right level or is there any business or one offs we should bear in mind there? Also it seems like you are going to bring distribution closer to the bank with the single view. What part of that double-digit growth depends on cross selling more with the bank with a single view because obviously cross selling feels like it's been regulated out of existence?

Answer: Antonio Lorenzo

Well, let me start from your first question about the results, if we have some lumpiness. In the new business income figure we have seen some level of lumpiness is the bulk annuities. And as George mentioned in the other presentation, the bulk annuities is a win-win situation: there are good deals in the market with good returns and if we get them, we will get the profit. But at the same time if we don't have these deals available then we have the capital available. And part of the number that George said – the circa £700 million – came because we were less active in the bulk annuities business.

The rest - part of this is based on the assumptions, economic assumptions where we are seeing some movements. In the recent past these have been positives, because we have seen some positive movements, but this is obviously lumpy and can change. It depends on the situation in the market; longevity or aspects like persistency i.e. customers that are staying longer with us, which is another source of opportunity for us because we have suffered a lot of attrition from our customers.

Other parts of the double-digit growth - there are different sources where can see growth in the income in the foreseeable future. We have seen that the level of bulk annuities that we have had this year is quite low. Secondly, I think without improvement, the view that we have of the business in corporate pensions, which is not a secret, is that we should get increased contributions from pensioners. This is the idea of auto-enrolment, though obviously there are some views in the market about how many people will be putting more money into their pensions with a squeeze in their salaries and wages, but this is the aim of the Government and all of us. And thirdly, there is an aspect of income that is coming from this point that you have mentioned around the single customer view, which is much more "bancassurance", which you might call old-fashioned, though it will not be old-fashioned as we are thinking of this as bancassurance in the 21st century, through the different channels and different sources - guidance or execution only. And we are seeing that growth in double digits as well in the banking side.

And I don't know if you have captured this, but outside of Financial Planning & Retirement, we have said that our expectations for Protection and Home Insurance is to see growth as well in the franchise arena. We are expecting to see double the number of sales in the franchise arena for home insurance and protection. This is quite comprehensive, but we are expecting growth in every single channel, not only one.

<u>Question 3</u>

Claire Kane, Credit Suisse

Hi, I have a question on the £50 billion asset growth target over time. So I think its £8 billion for the first year and then obviously accelerating in the later years. So could you just help us to explain the timing of that, what projects are underway?

Answer: Antonio Lorenzo

This £50 billion has two parts. One is around £20 billion that is coming from the Zurich acquisition because it is still not in our portfolio. And the reason for the £8 billion in the first year and a bigger number in the second year is a big chunk of the business will come with the Part VII and we are not expecting the Part VII to happen until 2019. So therefore of the £50 billion, we will have around £20 billion of inorganic growth and £30 billion of organic growth. So if you multiply by 3, ballpark figure, 3 times 8 is 24 – that's 20, and we expect as we progress and have more information, single customer view, etc. this £8 billion in the future will be bigger and bigger.

Further question
Can I just ask, a lot of the discussion today has been about freeing up time to deal with more complex needs and many of that being in your business. So do you think there is a situation at the moment where you are missing out on a lot of opportunity and revenue growth opportunity because you don't have the capacity currently to deal with it?

Answer: Antonio Lorenzo
I think that at this point in time we are interested in the same as the rest of the Group. For example, at this point in time, to get a mortgage with a mortgage adviser takes around a couple of hours, and if you want to put life insurance on top of that, before the changes that we are going to implement, this would take between 60 and 90 minutes. In due course this will be around 20 minutes. So, as with the mortgage transformation, we will reduce the time to get things done. I think we have enough capacity with the changes that we have to deliver to meet the customers' expectations. But if not, if we don't achieve on time, I think we can bring more people. But we think there is a lot of room to in the things we are doing, gaining productivity to aim to have more time with customer needs.

<u>Question 4</u>
Michael Helsby, BAML
As you mention clearly there's a lot of moving parts so I was just wondering, if everything was a success out to 2020 in your ambition, what does that actually mean for revenues? So you've got £2 billion as a base for 2017 – where do revenues go in 2020 if you deliver on everything? And I have got a follow-up question if you say higher.

Answer: Antonio Lorenzo
As George said, higher. We are putting more focus, as I said, on new business income; new business income this year is around £300 million. I think if we are doing well we should have substantially higher than this number, much higher; hundreds higher.

Further question
And for the sustainability of the back book given, as you mention, experience variances in which there is a revenue recognition change and presumably that drops away?

Answer: Antonio Lorenzo
This is the idea as I said; in the medium, long-term, this new business income will offset the consequences that we can see for the run-off.

Further question
So are the revenues flat or still down or…?

Answer: Antonio Lorenzo
I think we are expecting revenues up because of the combination of the things that will give us a revenue upside. To be fair if you have a look at the last couple of years, I think, we have been holding up very well in terms of the longstanding customers income. But obviously we want to be prudent and we think that the income should go down as is happening with other competitors. For that reason we are putting huge focus on the new business income to more than offset this situation.

Further question
And clearly there is a lot in the press about Standard Life Aberdeen and potential tie-up you were looking to do there. I wonder if you could talk about that and what capabilities you were very interested in bringing to the party, and whether not doing that is a big detriment to…?

Answer: Antonio Lorenzo
I think at this point in time this is not on the table. I cannot speculate on that. At this point in time, as you can imagine, I cannot give you more information because it is not on the table.

<u>Question 5</u>

Chintan Joshi, Abaco

So actually one for you, David. If I think about Other Operating Income in Commercial Banking. This £3 billion spend - how much of that helps you grow that, because it has been quite stagnant over the last few years?

Answer: David Oldfield

So I'm about 70 per cent NII and about 30 per cent OOI give or take. So some of the investment is in the working capital products where we are underweight. So trade finance, supply chain finance, asset finance, HP and leasing, all of that stuff is pretty good for fee income. So I think that is an area of opportunity. Now what you do get in a business like mine is the lumpiness of the kind of non-flow activity in the market space, just depending on what is happening in terms of volatility. So there is a bit of a kind of, it kind of pops up and down a little bit. But certainly as the GSR3 investment, it is very much targeted on those really nice capital light products that would drive fee income we hope.

Further question

So how much of that £3 billion is targeted to Commercial Bank?

Answer: David Oldfield

I won't do the split out now as there is a whole load of stuff that is being built across the Group that I just make use of for free. And then there is the stuff that is specifically targeted in Commercial so I don't know the split, but it is a chunky old number, certainly much more than what was in GSR2.

<u>Question 6</u>

So a follow-up. So if I look at the two slides you provide you split out between SME and Mid-Market and Global Corporate. The SME and Mid-Market – you've got a great track record there and that is more of an NII than an OOI benefit presumably? If you look at the Global Corporate and Financial Institutions, that is where you have actually been giving up and ceding a bit of share.

Answer: David Oldfield

Well we have been selective in terms of our participation. Certainly in Global Corporates, we have been selective.

Further question

So I guess my question there is given your aspiration, particularly on cash management mandates - one in eight to one in three sounds quite a jump. When you think more broadly that is often attached to trade finance to FX rates, so forth. What gives you a unique proposition versus peers? This is one of the few areas where the decision to retrench to just the UK, I imagine, is a hindrance rather than a help?

Answer: David Oldfield

I think we are playing catch-up, is the reality. Through the last three years, pre the investment through GSR2 we really didn't have those modern capabilities around trade and cash and payments which is why we ended up not winning many cash management mandates. Now the last three years has been a story of investing in order to build the platform. The next three years is less action in terms of investing in those specific platforms. It is more about, now more confidently having the RMs going to market and to clients to say that we can do all these things for you. So we have been under weight because of the last three years. I expect us now to catch-up. But all that said, we will continue to be selective around that Global Corporate space.