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Steven Crawshaw: Good morning to one and all and thanks for joining us this morning. It is Steven here and I've got Chris sitting alongside me as usual. Now you've all had the chance to read this morning's statement, so I'll just run through the highlights. It's fair to say we've grown the business faster than most of you assumed. Net addition to book is currently running at almost twice last year's level so far, and this is due mainly to the continuing strength of the buy-to-let market and our position in that market. We've also stepped up our programme of portfolio acquisitions, with the upsized GMAC contract, supplemented by a new strategic arrangement with Kensington.

Now we've consistently said that the faster we grow, the more pronounced the dilution in net interest margins. This is due mainly to funding mix, where the cost of new funds raised during the year, mainly wholesale, is greater than the average cost at the start of the year. As a consequence, the margin in the first half might be a little less than you assumed, but as I said this is offset by volume growth.

On capital, we said in the statement that Chris will outline our plans for improving shareholder returns in the interims. So you'll have to store up your questions for then. I'm pleased with our progress on costs, which will be inside our usual 3% guidance, despite the cost of the B&B brand campaign.

Credit quality is where we expected at this point in the cycle, as we manage a few more cases through to possession. This is expected to result in a first half impairment charge, in line with the first half of last year.

We believe our specialist markets will continue to grow in excess of the mainstream market, as the demographic drivers continue to fuel demand over the medium term. We have guided today that we believe we'll achieve underlying profit before tax for the full year towards the upper end of the range. And on that note, I'll hand back to the operator for your questions.

Operator: Thank you. Ladies and gentlemen your question and answer session will now begin. If you wish to ask a question please key \* and 0. Sorry if you wish to ask a question, please key \*1. If you change your mind and decide to withdraw your question, simply key \*2. All questions will be answered in the order received, and you will be advised when to

ask your question. All other lines will remain on listen-only. Just to remind you ladies and gentlemen, if you do wish to ask a question, please key \*1. Thank you. Your first question comes from miss [Haley Tam]. Please go ahead and ask your question.

Haley: Morning Steven, morning Chris.

Steven Crawshaw: Good morning.

Chris Willford: Good morning.

Haley: Two questions if I can. The first one's actually on margin and the second one on costs. On the net interest margin, I think you have been very clear in the statement that there has been some modest dilution, and that that will continue for the rest of the year. And I was just wondering, given the sensitivity of the financials to that number, if you could actually give us some guidance beyond this year ... tell us how low you think the margin might actually go, and over what sort of time scale? That's the first question.

Chris Willford: I'm sorry to start with a 'no' in the first question, but that's not really one for today Haley in terms of the fact that that's looking too far ahead. Let's do that properly at the half-year and full-year with a full set of numbers in front of everybody. But in terms of where we've got to thus far I think we've made it very clear for a long time now, that the faster we grow, the more we'd expect to see pressure on that dilution line, and that's exactly what we've delivered in this first half.

Haley: Ok thank you, I'll store that one up then. And the second question is actually on costs. The revenue growth looks like it's very clearly accelerating, and because of the good strong volume growth that you've actually seen. And I was just wondering, you have repeated that you're going to stick to inside your usual 3% guidance. Is that a half-year guidance first of all, and secondly should we actually think about going forwards that you will actually start to invest some of that extra revenue growth for the future, so it's a virtuous circle if you like, for investing in growth?

Chris Willford: Yes well I suppose the first point to make is, we haven't stopped investing. So when we do publish results, you'll see pretty high growth in the depreciation line and in the marketing line which reflects investment in customer perception of the brand. But also investment in our ability to deliver the sort of volume growth that we're delivering. And secondly then on the specific question about it being inside 3% that's half-year and full-year guidance.

Haley: Thank you.

Operator: Thank you for your question, your next question comes from Mr. Sandy Chen. Please go ahead and ask your question.

Sandy Chen: Hi it's Sandy Chen from Panmure Gordon. Just another take at that margin question; I wondered what the underlying funding cost assumptions are, particularly in the second half of this year, vis-à-vis libor base rate on your floating rate mortgages, and also your expectations of a benchmark 2 and 3 year, kind of swap or gilt yields for the fixed rate side?

Chris Willford: Ok that's an incredibly detailed question for pre-close, and I think I'll, if I may, just answer it in more general terms. Which is point 1; in terms of the base libor issue, just to restate that for Bradford and Bingley, we don't currently have a structural or a significant structural mismatch between assets and liabilities that are base and libor fixed; and therefore the issue for us is not a base libor mismatch but the increase in cost of funding. Because we've seen libor increase sharply over the last period, and then importantly the swap rates, which fund about 85% of our new mortgages which are fixed rate mortgages. So that's where the increased cost to funding stream comes from, and it's kind of hard to say whether we're going to see that level of acceleration going forward in the next 6 and 12 months that we had in the last 6 and 12 months, but we can't assume that it's going to fall off dramatically. And I think that's what's behind, partly what's behind our statement about we don't see a change in the trend in the second half here.

The second point, again just to reiterate and we have made this point many, many times, but the main source of the margin dilution is this funding mix, where we're growing the overall business faster than we can grow the retail deposit base, and therefore the marginal cost of funds is dominated by the marginal cost of wholesale funds. Looking at different sources of funds, we're seeing medium to longer term we would expect the cost of securitisations to improve a bit, as the treatments of those assets for investors improves under, under Basel II, and we continue to tap into the covered bond market which is obviously very attractive in cost-of-funds for us. So we've just priced a deal this week that gives us effectively libor base funding; libor flat funding rather.

Sandy Chen: Ok so if I can sum, I mean if I'm summarising that correctly, would that say that the bulk of the margin pressure is mix related as opposed-

Steven Crawshaw: Correct.

Sandy Chen: And moving forward, the underlying rate assumptions are pretty much stable moving forward?

Steven Crawshaw: I think the answer's yes, because the pressure will continue to be mixed and not individual type of liability margin or individual type of asset margin.

Sandy Chen: Right ok. Thanks very much.

Operator: Thank you for your question. Your next question comes from Mr. Jonathan Pierce. Please go ahead and ask your question.

Jonathan Pierce: Morning. I've got two actually. The first is on just confirmation really on some of the funny items that appear in these bank accounts in an IFRS world. Are there any fair valued gains or debt security gains to talk about within the numbers?

Chris Willford: Nothing material. Certainly as you all know, you can't pronounce on these until the actual balance sheet date, but I can tell you at the end of May balance sheet date there was nothing material and certainly should be similar or less than the numbers that we reported the first half of last year. So that'll help the quality of earnings

Jonathan Pierce: Ok thanks for that. The second one is, I'm sorry to come back to it, it's the margin again. Consensus is a 1.14% for the full year according to your website. Sounds like you're flagging it might come a bit below that at the full-year stage. So firstly is that correct? I assume it must be to be -, given the level of volume growth it must be the case margins are sub 1.14. Secondly, can you put a number in basis point terms as to how much of the margin attrition is coming from the rapid rise in 2 and 3 years swap rate? So if 2 and 3 year swap rates hold the current level for the rest of the year, presumably that element in attrition would disappear. How much is that worth? And thirdly within that, can you give us a bit of a feel as to what's happening on the savings margins? Are savings margins going up and hence the mortgage margin is slightly worse underlying?

Chris Willford: Right, about four questions there. Hopefully I'll manage to deal with them. First in terms of the margin, yes I think it's fair to infer from what we published this morning that the full year margin will be lower than consensus, and I think by way of helpful guidance I'd say, I'd expect the half-year margin to be close to the previous full-year consensus; if that gives you a steer. The second point about - let me go to savings margins ... yes savings margins will improve a little. Obviously we've got no actual published numbers to talk about, so I can't be more specific than that, but savings margins are a helpful lever within the overall group net interest margin mix, and I don't think we'll be different from anyone else on that dimension. And the third point was about how much margin attrition is

due to two and three year swap rates. The point here is not the fact that two and three year swap rates are higher, it is the rate of acceleration within a given pricing period, and so most, if not all, UK mortgage lenders work on pricing periods, which might be from four weeks to two months, but perhaps even longer than that. And just the logistical and practical operation of running a lending business means we can't re-price every day for every customer - well not at scale. And therefore you have to set a reference rate on which you price your fixed rate products for a period of time, and if as has happened several times in the last six months, within that reference period rates jump up by 20 - 30 basis points, and you have not hedged every single last penny of the mortgages you sell in that period, you are going to have an exposure and in some years that exposure turns out to be a positive profit. In fact, and this year, for most of it, it has turned out to be a negative profit impact. So it's primarily a timing difference related to the movement in those swap rates, not the fact that they are higher or lower.

Jonathan Pierce: That's kind of what I'm getting at, because obviously as the two year swap rates have gone, I don't know, 520 up to 630 in the last six months. Now if we then hold the 630 levels, you don't have these tiny impacts. What would be the benefit to the margin, or how much of the margin coming down is due to this in basis point terms?

Chris Willford: I'm not going to give you a number on that today, Jonathan, because we obviously haven't got the half-year numbers yet; but it's not enormous. So there are probably, as you know, twenty or thirty leaders within the overall net interest margin. I think I'll just reiterate the guidance, the biggest impact is funding mix; that's the one that we'll mention every time when we're growing at the rate we're growing, and the others are one or two bits, and there are lots of them going either way.

Jonathan Pierce: Alright, thank you very much.

Operator: Thank you for your question; your next question comes from Mr Michael Helsby.

Michael Helsby: Yes, good morning everyone. Just a question really on a couple of things; firstly on redemptions; I think there has been a lot of concern in the market about you're going to be seeing a drop-off in the duration of your book. You don't really mention anything about that in the statement, so I was wondering if you could comment on that. And secondly, just on margin; I think you just kindly give us a bit of guidance for the first half; I was wondering if you could extend that for the full year, which I think that would be reasonable. And then just lastly on capital; I know you said save that for the interims, but it would be rude not to ask. So I was just wondering what you think your options are really, from a

capital management perspective? I mean you really put it at the forefront of this trading statement in terms of it being a focus for the remainder of '07, so I was just wondering if you could give us a glimmer in terms of what you feel your options are.

Steven Crawshaw: Shall I start with the first one first and I'll try and keep up with the bouncing ball if I can? The silence in the statement you should be comforted by, rather than the other way round, in terms of the fact that we are unconcerned by the duration worries that are out there, so that's probably not quite the right way of expressing it, but we are not experiencing the worries that people keep asking us if we are. And therefore we are very comfortable with the way in which this book is maturing, and we have on occasions pointed out the fact that there is a clear gap emerging between our book and similar books out there in terms of the defendability, if that is the right way of expressing it, of the way in which that book has been constructed over the last ten years. So, to that extent, we are very comfortable with the way duration is going and..

Michael Helsby: Sorry Steven, can I just - back on that; what is the difference between your book and the other books that you are referring to and you've constructed, why do you think you are having a better performance?

Steven Crawshaw: It is the way in which we have held credit quality through the construct of the book, in terms of the fact that you know that we have been a bit stand-offish in terms of moving some of the parameters of how much we are prepared to lend to customers; and what we are finding is that prudence over the billed period of the book is making these books easier to defend, because frankly the customers are not right on the edge and therefore the requirements to re-mortgage as opposed to a kind of vague desire to re-mortgage at the end of the deal period etcetera is much less intense. That's what I mean by that; I hope that that's a bit clearer.

Michael Helsby: Ok; thank you.

Steven Crawshaw: So fundamentally duration – we are cognisant of, but not concerned by - and we are reviewing on a regular basis the duration under the IFRS rules, and as you might imagine from this organisation remain at the prudent end of the scale, and that's an audited prudent end of the scale. So that was the first one.

Chris Willford: The second one you were asking for both a guidance on margin for the full year, and I think, having given you some clear guidance for the half-year, and having outlined the trend, I think we should leave it to your analytical powers to come up with the full-year rather than give you a full-year forecast at this stage.

Michael Helsby: Can I just ask it in a different way? If swap rates stayed as they are, and you carried on at the same pace of loan growth, could you give us a steer in terms of what the impact would be? Because the big shift has happened in the second half of last year, and the first half of this year, so is the bulk of the margin attrition going to be in the first half rather than the second half?

Chris Willford: I don't think you can assume that, but as you rightly identify I think, the key variable is the rate of growth, and we don't see that slowing at the moment.

Michael Helsby: Ok; fair enough.

Steven Crawshaw: If I could pick up the capital one; I think this is a sort of global answer in order to try and keep you as happy as we can. We've been consistent, and any of you that have had lunch with me recently, you will have heard me say this quite profoundly in terms of the fact that we don't think pre-close is the right place to lay out detailed plans; and in terms of options, we talked about flexibility in February. I said flexibility turned out to be a slightly too subtle concept for the world, and therefore we will get a lot clearer of this at the interim stage. In the meantime, flexibility for us is actually options, and as you might imagine we have number of options, and you know what those options are, so I'm not going to list them now; but we've ruled nothing in and nothing out, and therefore we will be much more fulsome on that for you at the interims. But I think one observation that people have made is the fact that we are growing fast; but the other observation that people have made is that despite the fact we are growing fast, it isn't clear that we can pedal fast enough in order to absorb the capital that's being thrown off, and therefore our options continue to widen rather than narrow.

Michael Helsby: Ok; thank you.

Operator: Thank you for your question. Your next question comes from Mr John Kirk. Mr Kirk, please go ahead and ask your question.

John Kirk: Morning guys. A couple of questions actually, the first one is just a point of clarity. The sell and leaseback gains of just under 9 million, are they broadly in line with what the market had pencilled in if you like for this year, or are they slightly better? And if you excluded those would you still be comfortable with your guidance in relation to consensus for this year?

Chris Willford: That's the first question. We think the market was expecting between five and six million on that line and we're coming up with between eight and nine million and there'll be nothing in the second half. So there's

probably about a three million increase and that is included in our overall guidance, so we don't exclude sale and leaseback from our underlying figure because we tend to do a handful or two every year.

John Kirk: So I guess the obvious question is that if you were to take the sale and leaseback gains out, would you be comfortable with the middle of consensus rather than towards the top of consensus, is that reasonable to explain?

Chris Willford: I hesitate to answer that question today, because we're talking about less than 1% here in terms of difference in what we realised in sale and leaseback and what people thought we were going to in terms of the underlying PBT and I know some of you might have already changed your forecast, so consensus is a moving piece. So I just reiterate that, and there's a broad range of consensus I think from – correct me if I'm wrong – from 350 to 377 and if you take that as an evenly distributed range, we'd still be at the upper end of it with or without that extra three million.

John Kirk: Ok. Great. Thank you. And the other one I'm afraid is on margins again, but a more sort of structural or longer term question if you like. You pointed out earlier that securitisation funding is likely to get cheaper basically as the treatment under Basel II becomes more beneficial for the holders of the paper i.e. their capital requirements drop. Is it not therefore fair to assume that as capital requirements drop on mortgages, you will also see mortgage margins coming down for exactly the same reason or do you think we are already there or do you think there is something different between the two?

Steven Crawshaw: Yes, I talk regularly on this one in terms of the fact that I don't buy the sort of kind of Basel II benefits in mortgages will be shared with the customers or given to the customers. Similarly I don't share the view that all of the Basel II benefits will stick to the bank. So somewhere between those two extremes is where a competitive market will take us and I continue to persist with this.

I have to say though, there is a strong feeling out there at the moment, the fact that we are all heartedly sick of living off thin, thinner and thinner margins and as such I am seeing some behaviours which suggest to me that any opportunity to take some margin will actually be taken. Those opportunities are few and far between, I think it's fair to say, but I've seen behaviours whereby people are nicking a few basis points here and there whenever they have the chance – that's generally speaking. It suggests that we are getting kind of close to the bottom of where people feel is an

acceptable margin for a product which will continue to absorb substantial chunks of capital, it's just less for those that are benefiting from Basel II.

John Kirk: Can I just a very quick follow-up actually. From your point of view are you seeing any significant difference in the capital requirement for your buy-to-let and specialist books compared with the vanilla elements of your book?

Steven Crawshaw: No, and there's not suggestion at the moment that there should be a material difference coming through the whole process. So – no is the answer.

Chris Willford: Just in 2007 they are equally weighted under the standardised approach for us under IRB actually we wouldn't expect a material difference either.

John Kirk: Great, thanks a lot.

Operator: Thank you for your question. Your next question comes from Mr Robert Law. Please go ahead and ask your question.

Robert Law: Good morning gentlemen, I've got two areas I want to explore. Firstly, I'm afraid I want to go back to the margin issue. Could you give us some indication as to where new business margins are compared with your stock margins on the lending side, both on buy-to-let and self certified, first question?

Chris Willford: Rob, I think again, probably the interims is the best time to do that, but again just to reiterate the timing differences on swap rates aside, we're not seeing noticeable asset margin pressure.

Robert Law: Ok. And the second area is in the statement you haven't really referred much to non-interest income – could I ask you to comment about the trends in that area?

Chris Willford: Even scraping out to sale or leaseback, we are pretty pleased with how that's going, so it's fair to say that Steven and I guided you well down on that when we took the decision to withdraw from mortgage broking in our branch network, but we're actually quite pleased with the way that the business has responded. So again, I suspect looking at various analyst's forecast that non-interest income will do a little better than some of you think. Total income by the way, we have to reach consensus but it's probably a bit of re-balancing potential between net interest and non-interest income.

Robert Law: On the total income line are you happy with consensus despite the volume you are showing and that's including the sale and leaseback?

Chris Willford: That's right.

Robert Law: And you think the consensus number for non-interest income is a bit low.

Chris Willford: Yes. A little bit low, yep, absolutely, but this is because of the volume margin trade-off that we've referred to.

Robert Law: Thank you.

Operator: Thank you for your question, your next question comes from Mr Leigh Goodwin. Please go ahead and ask your question.

Leigh Goodwin: Morning Steven, morning Chris, morning everybody. Leigh Goodwin from HSBC. Can I just actually focus a little bit on the growth in the book which is quite a stand out feature of the statement. And what we can perhaps read into the second half I mean, and what might help is if you could give us some sense for how it is split between the effective portfolio acquisitions and then your own gross lending. Because from what I can see from the RNS releases your purchases in the first half are about 1.3 billion, I may have got that wrong, so please correct me if I have. And therefore there is quite a lot to come through in the second half of the year or at least potentially so within the arrangements that you have with the third party. So could you give us an idea of what we should be looking for or how it's split in the first half and what we might be looking forward to in the second half in terms of asset growth please?

Chris Willford: Yes, again first point to make is, that the first half isn't over yet and I think in terms of acquisitions that were completed as at the end of May, your figure is pretty close to the mark. The overall profile of portfolio acquisitions will be reasonably flat, half on half, but as I say there are still a few more days left in June without dropping too many hints. So, we'll expect to see significant year-on-year growth in portfolio acquisitions and also very significant, obviously growth in our gross lending. And we've given more than a good hint in terms of net lending in the statement this morning, saying it's going to be pretty much double what it was in the first half last year. But, the point I'd make is the organic growth is making a very substantial contribution to that greater net lending.

Leigh Goodwin: Ok. Maybe if I can just come back on it, then I mean, are you suggesting that we should think in terms of a similar level of net lending in the second half of the year as the first half?

Chris Willford: Yes.

Leigh Goodwin: Ok. Thanks. Just a follow-up on a couple of other things. One, I know Michael tried to ask the question in capital and I appreciate that we're early doors on that, but you give us a little teaser here in terms of saying that the rate at which you can fund growth, or self fund growth has increased your capacity in that sense. Is there any way you could quantify that for us at this stage, or do we have to wait?

Chris Willford: I'm not going to go into the self funded growth model on a pre close call because I need a blackboard and a pointer to do that properly Leigh, but just to make the point that when we talked about flexibility back in February, and when Steven talked about our options this morning, there is options and flexibility include capital structure. So regardless of whether we are growing fast flow or medium, do we have the right capital structure to begin with and that's something that I will be addressing at interim. So it's not just about growth and it's not just about how many portfolios we acquire or don't acquire.

Leigh Goodwin: Ok. Thanks. I'll look forward to that. And just one final question if I may, just on the guidance from the impairment charges, just so I'm clear, you're talking about being in line with the first half of last year, I assume you are meaning in absolute terms rather than as a rate of impairment charges?

Chris Willford: Yes. And I'm very, very conscious that this time last year I said that the second half will be similar to the first half, but I'm saying it again this year and I mean it this time.

Leigh Goodwin: Ok. Thanks very much.

Operator: Thank you for your question. Your next question comes from Mr Robin Down. Please go ahead and ask your question.

Robin Down: Morning and I apologise for following up on this capital section, but I think it's a bit unfair for you to like drop in this paragraph hinting at so many things without sort of elaborating a bit more. So I really just have two questions. Firstly, when you talk about improving the capital efficiency in the structure, the only way I can really see you doing that on any form of short term time horizon, would be through a buy-back. So I just wondered if you could sort of clarify that that's really what you're alluding to there? And then the second question on Basel II, there's also been a lot of talk about potential benefits, we saw one of your peers back at the full year stage being quite sort of clear about the Pounds million benefit and I think the sort of numbers that have been banded around for you and have been

maybe an ultimate benefit of 500 million. I'm just wondering whether or not you felt that was the right sort of ballpark?

Chris Willford: On capital to begin with, buy-back is one way of returning equity to shareholders, so that's obviously out; one of the options that Steven alluded to but I'm not going to say any more on that today. Now on Basel II clearly we've got steps along the way, so we've taken one step down in our overall capital requirement through adopting a standardised approach. We're expecting another step down in the middle of next year, or scheduled for the middle of next year with the adoption of IRB, the exact depth and quantum of that step is still to be agreed and defined, but it's going to be a notable improvement on top of the standardised. So, actually giving you one number is perhaps less helpful at this stage, so it's easier to quantify as we will do at interims, the benefit that we can get from standardised and then there will be a subsequent dialogue in the second half of next year about the benefit that we get from IRB.

Robin Down: Yes, thank you.

Operator: Thank you for your question. Your next question comes from Mr Mike Trippitt please go ahead and ask your question.

Mike Trippitt: Good morning, Mike Trippitt at Oriel. Just a quick follow-up on the impairment charge guidance; the difference between sort of first half and second half last year was I think more to do with recoveries, I think at the gross level, the gross charge looked to be about the same. So I just wondered if you – given your comments about interest rates and arrears, I'm just wondering if we should expect less recoveries, are we sort of comparing apples with apples here, where you're going to see a sort of 5.6 growth this half against 5.6 net loss first half last year?

Chris Willford: I think again at pre close stage Mike, I'd rather just focus on the headline P&L rather, because again I've not got any first half detailed numbers to show you and refer to in terms of gross and recoveries.

Mike Trippett: But are you seeing still a reasonably steady flow of recoveries or not, given the pick up in rates?

Chris Willford: Yes, we're seeing a reasonably steady flow of recoveries.

Mike Trippett: Ok. Thanks.

Operator: Thank you. Your next question comes from Mr Jonathan Pierce. Please go ahead and ask your question.

Jonathan Pierce: Sorry to come back with a question or two, I'll be very brief, but the first is, can you just give us an update on the position regarding endowment provision that you made last year, is there any prospect of some of that coming back as capital, it's clearly quite big? And the second question, just to clarify – are you saying that the advance – sorry the IRB waiver won't be in place until at least the start of the second half of next year?

Chris Willford: Right. First of all congratulations Jonathan for the most creative question on capital we've had this morning, but again when we publish the interims you'll see that there is still a substantial balance left on the provision that we made, but of course this is a – regrettably a very sort of long tail issue, so we need to review with our auditors from time to time the adequacy of the provision, but I'm certainly not expecting to have to make additional provision any time soon, let's put it that way, but I wouldn't encourage you to factor that into the capital arithmetic at the moment. Sorry, I've forgotten the second question now.

Jonathan Pierce: It's just on the waiver – it sounds like the IRB waiver won't be until middle of – well second half of next year the earliest.

Chris Willford: Well, that's because we're submitting our waiver application at the end of this month and therefore adoption is a year thereafter.

Jonathan Pierce: Ok. Thank you.

Operator: Thank you for your question. Ladies and gentlemen just to remind you that if you do wish to ask a question, please use \*1.

Steven Crawshaw: That sounds to me like silence.

Operator: We have no more questions Mr Crawshaw. Oh sorry, we have another one from Mr Down.

Robin Down: Sorry, I just wanted to come back to you on the consensus figures. You're suggesting you're happy with the total income number that's out there, I'm just looking at the consensus on your web site and then from a bad debt perspective, if you're in line for the first half of last year then presumably your reasonably comfortable with the full year consensus on the bad debt. And then clearly on the cost side you're suggesting you're going to be inside 3%, so maybe a couple of million better on that line. I can't see within that mix why you're actually guiding numbers up, if that's the case.

Chris Willford: Well you know, given that the upper end of consensus is 9 million above the consensus – the mean consensus – we're talking about

quite small numbers here Robin, so perhaps that's the source of the disconnect.

Robin Down: Well I mean the reality is looking at it; you're going to have to beat on that total income number to be even 9 million ahead, unless the cost performance is just completely a million miles away from the 3% you previously guided for.

Chris Willford: And again, when we say that we're comfortable with a number, it doesn't mean it's exactly that number so again, as you know if you've thrown out four numbers so plus or minus two million or one million on each of those is within the range that we're talking about between the upper end of consensus and the mean of consensus.

Robin Down: Ok. Right.

Operator: Thank you for your question. Ladies and gentlemen, just a reminder if you do wish to ask a question, please key \*1.

Steven Crawshaw: And that sounds like silence.

Operator: We have no more questions Mr Crawshaw.

Steven Crawshaw: Lovely. Many thanks indeed for your questions today and as always we look forward to seeing you on 26 July for our interims with a lot more numbers in front of us. Thanks so much for your participation. Ok. Bye-bye.