Ashok Vaswani, CEO Barclays UK

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(amended in places to improve readability)

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I thought the first question was very interesting. In my opinion we are the largest FinTech company in the UK. That is how we think about it and that is how we go about it. However, let me actually talk to you a little bit about that and prove to you that that really is the case. A lot of you would know that on 1st March we reorganised the company to create Barclays UK and Barclays Corporate & International. Barclays UK will eventually become our ring-fenced bank. The idea was to get started on that journey, learn how to get ahead of the game.

Slide 1: Barclays UK: a unique combination of businesses differentiated by scale and proven digital capability

Barclays UK is actually quite an incredible franchise. We have been working on this for the last three or four years - we are not starting today. We have been working on this for the last three or four years and I hope I can demonstrate that to you through the presentation this morning. If you think about it, Barclays UK has 24.3 million customers. If we say the UK has 63 million people, and humour me, that 15 million of them are kids under the age of 15, then you have got 48 million people available. Of which 24.3 million people we touch in some shape or form. That is one out of every two people in the UK have some kind of relationship with Barclays. Clearly the goal is not going to be to move from 24 to 25 to 26 million. The goal is: how do you do more business with them? How do you understand their needs better and make sure you offer the kind of products that they really, really need?

Like I said, we have been on this journey before and look at this. We have had pretty consistent NIM. For the last couple of quarters we have been somewhere between 355-360bps, pretty good NIM. We have de-risked the business quite considerably, so if you look at our fee line, actually our fee line is about 15% and NII [net interest income] generates about 85%. So a lot of the conduct issues, we've spent a lot of time cleaning that up, some left to go - obviously PPI to finish, but for the most part cleaned up a lot of that kind of stuff. We have been working hard to maintain the business as well in control, so LLR [loan loss rate] running at about 43bps. Consistent - even a couple of years ago we have not gone out and done crazy things around mortgages. We have not changed our risk appetite in the last six or seven years. We have maintained steady, consistent - we have not moved in and out of the market - steady, consistent, kept the impairment pretty much in control.

We've spent a lot of time on digital and really built up what I would call the leading digital bank in the country. Today we have 9 million customers on digital and it is incredible the kind of engagement that we are getting. On average our mobile banking customer comes onto our mobile app 28 times a month. You can imagine the quantum of interactions that we have had. Of our 7 million mobile customers on a regular day, we get about 3.5-4 million to come on. On a Friday that goes to about 5 million and on the last Friday of the month that goes to 6.2-6.3 million customers. When was the last time a bank had either in its branches or on the phone dealt with 6.2 or 6.3 million customers?

We have been working on the cost:income ratio. This is not about just building fancy digital at the top. This is really about automating the place and driving it end-to-end. We have been able to bring the cost:income ratio down quite dramatically. Last [half we were] at 53% and we are continuing to work on this. Hopefully we will get sub-50% pretty soon. I know it is difficult to add up the numbers because the organisational design has kept changing. But trust me, over the last three years we have taken out £1 billion of cost. £1 billion is what we have taken out - different parts of the business but actually demonstrated it - this is not run rate, this is not annualised stuff. This is total expense minus total expense. It is a £1 billion off.

We have got great businesses. Our product mix is really, really nice. Right from current accounts, chequing accounts, consumer loans, credit cards, mortgages, nice product mix, pretty much good market leading positions in all products. Somewhere between 15-20% market share, other than in mortgage where our stock market share would be around 10%[1] because we have had a very conservative risk appetite. We have not gone crazy doing a whole bunch of stuff in buy-to-let and stuff like that.

Overall, this is a good business and this is something that we have been at for the last four years. I am not talking to you about promising what I am going to do tomorrow. This is not about tomorrow's promise. This is about today's story. This is where we are today and I will tell you how we are taking it there as we go forward.

From there, if you really look at it, why will we win? The big question is: why will we win? I would submit to you there are just two reasons why we will win. The first reason is we are completely committed to transforming the way the customer interacts with us. If we can change the way the customer interacts with us, we believe we can get much, much, much deeper customer engagement.

1 Source: Bank of England

Deeper customer engagement will lead to much, much better balance sheet growth, consistent NIM, in control, keep reducing cost, generate the kind of returns that you are talking about - over 18%, somewhere between 18-20% return on tangible equity through the lifecycle. Number one, how do we transform the customer experience?

Number two, how are we going to leverage data? How are we going to leverage data, our capabilities to automate the business and digitise? All this comes together. It is data, automation and digital which comes together to be able to get into a much, much better place. I hope to demonstrate that to you. That also puts us in a great position, in two years' time when the CMA rules around PSD2 and all that other good stuff comes along, it puts us in a great position to win as we go along.

Slide 2: Transforming customer interactions: Current Accounts

Let me talk a little bit about customer interactions, experience and what are we doing with that? How are we transforming that? Current accounts, chequing accounts - actually quite boring. Everybody tells you about all the other exciting stuff. Pretty boring, but just look what has happened. The green line is the engaged customers and engaged customers are those customers who do a lot of business with us. They have a certain amount of turnover. They do direct debits. Engaged customers, truly, truly using us as what would be a primary bank account - about 2.2 million at end of last year. That number is closer to 4-4.1 million, growth of 93%. Balances in the same period up 59% and we are the only bank that does not pay for switching. I do not pay £150 to switch. I do not pay £5 on your gas bill and £3 on this and 4% interest on £20,000. I do not do all that kind of stuff. Mine is pure, pure based on the fact that I am going to provide a superior experience to the customer.

What has happened? What did we do? We did things like Pingit. What did Pingit do? Pingit allowed a customer to make instant payments irrespective of whether you are a Barclays customer or a non-Barclays customer. We made banking fun. You could take a photograph of your mate who you are having a beer with, share money, share bills and that kind of stuff. We made it fun. Pingit now has about 3.3 million customers registered on it. I will show you the volumes a little later. Mobile banking I talked about, is completely off the roof and continuing to climb at some great rate. Every day, every single day, we are talking about what is the new functionality we are going to drop into mobile? Every time we drop the functionality into mobile we see take-up, which is quite, quite amazing. I will come back to that.

We have done fundamental things like, for example, Cloudit. If you get on mobile banking we actually have something with Cloudit which allows all correspondence with the bank to be stored in your personal cloud. It allows you to put whatever documents you would like into the cloud. If you can trust us with money, surely you can trust us with all important documents - your wills, your insurance and all of this kind of stuff. Can you think about the ease from a customer perspective but think about how I am taking out costs because I am not sending paper? Plus, I keep a record of everything that I send which then avoids any kind of future conduct issues. Think about something like secured webchat. Traditional thinking that is it is much, much, much cheaper to do something on SMS, a little bit more expensive on the phone, a little bit more expensive in the branch. What we are seeing is even into the phone centre, we can do things like secure chat. Everybody must be on WhatsApp in this room. Everybody loves chatting. That is the new way of doing business. Why can we not bring that into our banking thinking? That is what we are doing. We are building new capabilities to choose wherever you are to do business on your terms. Customer engagement leads to deepening of relationships.

Digital account opening, everybody tells you about lending and I am not talking about lending in one day or 45 minutes. I am talking about lending in six taps on the mobile phone. Digital account opening and how you take digital into the physical - I will come back to that one.

Finally, we are the first bank across Europe - I only heard about one other Indian bank - which has done this on a much, much smaller scale than us. We are the only bank in Europe who has launched video banking. You could be anywhere in the world. You could be anywhere in the world at any time and contact us through mobile banking on your video. You get a personal line 24/7 to do whatever you want and you are done. We are the only ones rolling it out at scale, we are the only one doing it encrypted. Anybody who uses Skype, Facetime and stuff like that risks the call being recorded by the provider. This is encrypted, call does not get to the provider.

You can see the kind of interactions that we are building and you can see the impact of these interactions. Look at what happens and how we have been able to pull out costs. We have been able to reduce branches. By the way, we have been able to reduce the number of people in the branches by an even greater percentage. I will come back to that point. This is a classic example of how we are taking the customer interactions, changing the customer interactions, to deliver much, much, much better kind of results.

Slide 3: Transforming customer interactions: Consumer Loans

Take it for loans. I love this chart. I absolutely love this chart. This is three lines. The first line, the light blue line, is what happened in 2014. 2014 was a full year when we did launch consumer lending on the mobile. Today 55% of my entire production of consumer loans comes from the mobile. Six taps - of those six taps, two taps are, ‘Are you sure? Are you really, really sure you want a loan?’ - no conduct issues. However, with those six taps, money in the account, there you go. Look at this beautiful chart. The light blue line, it took us 12 months to cross £1 billion of lending on the mobile in 2014. In 2015 we crossed that £1 billion in nine months and in 2016 we have crossed that £1 billion in six months.

Again, tremendous customer interaction. We are able to get that done, able to build market share, really break away, bring back the loan business from supermarkets and stuff like that and really make a difference. Our loan book market share is growing very, very nicely. By the way, Net Promoter Score on consumer loans for those people who get accepted: 87. For overall getting a loan: 65. Apple is at 60. Cost:income ratio low 20s. ROTA of nearly 3.5%. This is what happens when you transform the business.

Slide 4: Transforming customer interactions: Across our product set

This is not just through our consumer lending. We have taken the same thinking, just exactly that same thinking, and applied it into different kinds of products. Let us go product by product. Let's take overdrafts. Again, light blue line 2014, dark blue line 2015, you can see 2016. Nearly a 50% lift on overdrafts. You take SME lending, much, much, much more recent - we are not done as yet. A lot of work to be done but you can see that is kind of breaking out. We talked a little bit about Pingit. Same kind of chart, light blue line 2014, 2015, 2016 for £1 billion of payment on Pingit every single year. Finally, the same thinking on mortgages where you can see online rates, which is where the customer can just go onto the web and switch rates at the end of term, straight through the roof. Agreements in principle where the customer actually gets a confirmation from us that we agree to lend you 'x' amount of money, again going through the roof. We will bring that same thinking into these kinds of products.

Slide 5: Transforming customer interactions: Taking digital into the physical

Now, taking customer interactions, think about this - what actually will happen in a branch? Branches are not going away in my lifetime. Branches are not going away in my lifetime. What will happen in a branch, the format will change, the size will change, the number of people in them will become less. It is going to become much, much, much more self-serve. Think about when you go to Tesco, when you go to Waitrose, everybody does self-checkout. In fact most of us wait to get to the machine rather than wait for the line to get to the person. We just want the transaction done. Self-service is big in the branches. We have even installed self-service machines for 619. Any one of you has not visited our South Kensington branch, I strongly recommend it. That is what the branch of the future is going to look like. It is working really, really well for us.

We used to do across our network 170 million transactions per year at the counter. In two years that number is down now to 100 million. 170 million down to 100 million. You can imagine how much we are automating, how much we can squeeze out. Automating not only the customer-facing stuff but automating stuff which our staff do at the back end - reconciliation of cash, uploading those cassettes into ATMs. Automatic reconciliation of that kind of stuff is what we are really, really talking about. Then you can see how we are taking digital into the physical.

Most people who come new to this country, do not have a thick credit bureau, it is hard for them to open accounts. We are the first bank to have launched something called 'Save & Resume'. You get onto the website, you do whatever, suddenly you hit a roadblock. Typically everything falls out and you have got to start all over again. We have launched 'Save & Resume' which allows the customer then to get a prospect ID, walk into our branch and you take off from exactly where you left off. Saving a lot of time and frustration for the customer, saving a lot of time for our colleagues. That is the kind of depth that we are trying to drive to really get into a different kind of place.

Slide 6: Automation, digitisation and data: Power of digital

Like I said, it is not just about the digital. It is all about automation of the processes and where we have gone completely digital. You can see payments is a broad area where most of the transactions, over 90% of that stuff is now happening completely digitally. Absolutely digitally, 93% for funds transfers, 78% for new payee or paying bills.

I want to draw your attention to cheque imaging. If you look at cheque imaging we are currently at zero. We have launched the capability to be able to take a photograph of a cheque and clear it on the image. It is not as if we have done something new. That was something that was happening in the United States. We basically learned from the United States and got it executed here. We are the first guys to do it. Now, the Treasury is pushing really, really, really hard and the Treasury is pushing hard that by 17th October suddenly cheques all have to be cleared on image, up to £500. Can you imagine how much cost you can take out and how efficient the process gets if you do this kind of thing? You can see cheque imaging currently zero, eventually I am sure that number will move absolutely to the right-hand side of the chart. Who wants to go to a bank to deposit a cheque? That just does not happen nowadays.

Slide 7: Automation, digitisation and data: Opportunities in progress with Mortgages and Barclaycard

Then if you think about it I think this opportunity of really bringing the cards business together with the bank is a tremendous opportunity at multiple levels. For the first time we were talking about 24.3 million customers and the ability to do more with them broadly. We are obviously talking about the elimination of huge amounts of conduct risk because we are going to look at a customer and treat the customer as an individual and how are we going to lend against that customer and his or her cash flow? The ability to do more, do it better, utilise data to actually get a much, much, much better outcome. We have just launched the ability to get an instant credit card on the mobile and instant balance transfer on the mobile that has just been launched last week. There is no reason why if it worked for everything else, it should not work for cards. I will keep you posted - we will see you next year, Michael, and see how that kind of thing is going.

Then, if you think about leveraging of data, we're really getting smart. Now, we are the only guys in town who do not have an SVR [standard variable rate] book. All the guys that write SVR book are facing a lot of churn. Our ability to actually go after that is quite amazing. We have said we are not going broadly, we are going to get really, really, really focused. A Premier customer is somebody who has got income of over £75,000 or assets with us over £100,000. Generally speaking the 'mass affluent' as the Americans would like to call it. This 'mass affluent' segment is obviously very valuable. We have got 1.1 million of these customers. Very interestingly, if I look at my 1.1 million customers, they have mortgages with my competition for £57 billion. We have got good relationships with them and just going targeted after this will be a big opportunity, particularly if they have an SVR product with the competition.

An interesting statistic, currently for our entire mortgage business 65% of our production comes from brokers, but our Premier segment - only 45% of our production comes from brokers. The reason for that is we are not playing games by doing differential pricing for brokers and a much more expensive pricing in the branches. To me that sounds like huge conduct risk. We are being absolutely clear that we will have similar pricing irrespective of whether you go to a broker or whether you come to the branch and therefore you trust your branch person to give you the best deal. We are seeing it in the numbers, that you see how much more production we are getting out of our branches as opposed to brokers.

Slide 8: Automation, digitisation and data: Growing the fee line

Automation, digitisation and data are going to be the second big reason we are going to win. We are using this automation, data, digitisation in unique ways to really rebuild the fee line. When I started I mentioned that my fee line is down to about 15% of my total revenues - regulatory stuff, interchange regulation, financial inclusion, all these kinds of things have hammered the fee line. How do we sensibly bring back the fee line? Sensibly bring it back to get the kind of growth particularly in an environment that is going to be a low interest rate environment for at least two or three years. Bringing back the fee line and bringing that back sensibly is something that we have got to do.

These are two products that are already out in the marketplace. The first one is what we call SmartSpend or Blue. What we are really saying is instead of using our P&L to provide a reward to our customers, can we use our leverage collective bargaining power to get merchants to provide rewards to our customers? If you are a Barclays customer, you sign up, you can actually get rewards from people like Boots and Expedia and all these kind of guys, Apple Music. The profitability is not coming from our P&L. We have seen what happens when you try and squeeze the profitability from your P&L. You land up with real brand issues. This is dependent on somebody else's P&L and therefore a win-win for the customer and for us. We have already got about half a million customers on this SmartSpend / Blue programme and this is growing at about 15-20,000 customers every single month as we are seeing our customers are discovering the benefits and the opportunity out of this.

The second one is even more exciting. The second one is actually our first big data product out of Barclays. Think about this. Think about if you are a florist sitting outside South Kensington station. There is a beautiful florist there by the way. That florist does not have the time to actually think about analytics in their business. What we are providing to that florist is the ability to do analytics on that business because of all our debit card, credit card data. We are able to tell the florist, what were your sales this week? What was it the same week last month? What are your sales the same week last year? Grown, declined? How much of it was repeat customers? How much was it new customers? What are the average transaction values? By the way, you are missing out this entire segment of women who are between 30 and 45 and somehow you are only appealing to men. Why is that happening? By the way, you are doing no sales on Saturday evening while the florist at Gloucester Road is doing a hell of a lot of sales on Saturday evening. Are you even open on Saturday evening? These kinds of analytics, providing these analytics to small business truly will help small business move their business forward. Then we just priced this at £4.95 a month for standard analytics. This product is already launched and we are getting very, very, very rave reviews for this kind of product.

Slide 9: We're also leading the digital revolution through our colleagues and our communities, strengthening our franchise

Fundamentally, everybody talks about digital, everybody talks about how many billions of dollars they are spending on it and why they are the best. I would submit to you that the real secret sauce is not the amount of money that you spend on digital. That is all fine, everybody can spend more money. I have got vendors coming to see me every single day. I am sure they go and see every other bank as well. Fundamentally the secret sauce is moving the organisational mindset. How do you get your entire organisation to start thinking in a different way? How do you get your organisation to embrace digital? How do you get your organisation not to think that if I get digital I am going to lose jobs and therefore it is in my interest to kill the digital effort? It is about moving the organisational mindset.

I sincerely hope at least some of you have seen all our advertising on Digital Eagles. That was the kind of stuff we launched to get our colleagues excited about the digital agenda. They came back to me and they said, 'Why are you stopping us from only going to colleagues? Can't we go to customers?' We do Tea & Teach sessions. We do Code Playgrounds. We are doing all kinds of things to make our colleague base really, really digitally savvy. Any one of you can go to the App Store today right now, you will get something called a Digital Driving Licence. Download Digital Driving Licence. It teaches you everything about how to get digitally savvy. For our staff we also tied up with City & Guilds so if you can pass a bunch of tests, which is on that app and you get a certain amount of points, you get a certificate saying you are digitally savvy.

Moving the mindset of the organisation into a different place is much, much, much harder than just throwing money at technology because that is going to continue. We are moving this thing quite aggressively. I think a lot about the banker of the 1980s and 1970s. Where was the banker in the small village who knew everybody, could give references and stuff like that? Today's digital banker is all about rejuvenating the community and that is why we have set up things like Eagle Labs. We have got six Eagle Labs. The next one going live is in Notting Hill at the end of the month. It is really about rejuvenating society, the community. Anybody wants to come in can actually prototype ideas on laser cutters and 3D printers and stuff like that. We can show that thing to our wealth clients. We can show that to the community and really get the community going in terms of, how do we take this country forward on the digital agenda? We are absolutely committed to leaving no one behind on this digital journey and through this digital revolution.

Slide 10: Consistently prudent risk management

That is all fine. That is great stuff. Is this really getting you the kind of results that you want? We talked about returns. We are doing a lot on mobile. We are doing it really, really quickly – e.g. "six taps". Look at our impairment. The left-hand chart, the dark blue dots are 2014, the light blue dots are 2015 and it shows the BoE, the Bank of England, stress test on the mortgage portfolio. We are not taking easy routes. I am not taking the easy route to go and increase risk appetite and build a huge BTL [buy-to-let] growth or to build a high LTV [loan-to-value] kind of book. We have done it the hard way. We have done it the hard way.

We have built the most conservative mortgage book in the financial services industry in the UK. However, that is what gives us sustainability. That is what allows us to remain consistent. That is what allows us to treat our customers much, much, much better. Even in cards, just look at it. We are talking about data from 2007. From 2007, that is a 9 year history, of having consistently carefully crafted, carefully built the business. Albeit, yes, we have left some money on the table but we have got it - we have built the business - right to make sure that we built a sustainable franchise that delivers sustainable kind of results.

Slide 11: Our focus on deep customer relationships driving balance sheet growth and sustainable returns

So it is very simple from a financial manifestation of everything that I have spoken about. It is actually pretty simple. Our goal is to deliver consistent NIM, like I said, somewhere between 350-360bps. So far we have been able to manage this quite well. Every time there have been base rate cuts we have been able to get our savings book repriced. I am sitting on an LDR [loan to deposit ratio] of 93% so I am over-liquid. I am not dependent on wholesale markets or anything else for liquidity. I have a safe liquid position. I do realise the base rates now at 25bps does not give me too much scope to go down.

However, I have got other levers and my other levers come from, what is going to be my balance sheet. Can I consistently grow my balance sheet? What is the growth going to come from in terms of product mix? How do I get that product mix right between cards, loans, SME lending and deposits?

However, if we can maintain a somewhat [stable] NIM, if we can work on rebuilding the fee line, if we can multiply those two to get revenue, keep the business under control and you have seen my mortgage book and you have seen my cards book and you have seen my loan book as well; you should be able to get a pretty steady impairment at about 40-45bps of LLR [loan loss rate]. Then if you can continue on this journey of automation and digitisation we should be able to bring costs down.

We have been bringing costs down. Like I said, I brought it down by £1 billion over the last couple of years. Currently we are sitting at 53% [cost:income ratio]. I think we can get it sub-50%. It is not going to be a linear kind of thing. It is not going to be quarter-on-quarter-on-quarter but I think we can get it down to sub-50% which then gives me reasonable, reasonable assurance that I can retain these kind of returns between 18% and 20% return on [tangible] equity. Of course, we have got other levers in terms of RWA density and stuff that we are working on to be able to try and get that kind of number.

Slide 12: Giving confidence we will continue to deliver sustainable returns
In summary, we have got a unique combination. We have got 24.3 million customers. We bank half of the UK. We will win because of two reasons. We will win because of the way we interact with our customers and we will win because of data and digital. We have been at this for four years. This is not about tomorrow's promise; this is about today's story. We will therefore be able to deliver sustainable returns. I personally have been in banking, retail banking, consumer banking for about 30 years now. I am dating myself but that is true. I have never been so excited about the opportunity that is ahead of us. I sincerely believe with this kind of thing we can win.

Q&A

Michael Helsby, Bank of America Merrill Lynch: Probably if we looked at consensus, expectations would not have your business delivering 18-20% ROTE over the next few years, given the headwinds that are out there on the revenue side with interest rates and the like. Just picking up on your second to last slide, your loan book was £164 billion in 2014, £166 billion in the first-half, so despite everything that has been going on, the book has not really grown. But it feels like it is about to start growing. The question is, what do we need to believe that you can deliver for you to deliver those 18-20%, in terms of loan growth and maybe all the digital aspects? What you are really saying is that you have got big cost reduction. You talked about £1 billion of costs that you have already taken out. Maybe there is more ahead as well?

Ashok Vaswani: The loan book is actually pretty disguised. There is a mortgage book and there is a consumer lending book and a cards book, SME lending. On mortgages, we have really not gone for trying to grow our market share and stuff like that - we have got 9.5-10%[1]. But in our sweet spot which is remortgage, we have [on average] a 16-18% market share[2]. That is our sweet spot and that is what we do. Obviously, it is no surprise to anyone there have been margin pressures in mortgages but in our sweet spot we are holding our own and doing really, really well.

What I am trying to get at, our consumer loan book has grown quite nicely, really nicely. Over the last year it has gone up from about £4 billion to nearly £6.5 billion. That has grown up and obviously the returns are much, much better on that book. What we have demonstrated with consumer loans is what I am trying to take across to the other places. I demonstrated to you that we have done it in overdrafts, we have done it in mortgages and mortgages are not finished. I can do it in cards and get a much better outcome. What I am hoping is we can get some kind of growth in the asset book but we will not chase absolute pound growth or we will not chase market share. We will do it sensibly.

Even in cards, ever since I have taken it over we are not going to be top of the market, offering 41 months of free money and stuff like that. We are not going to do crazy stuff. We are going to do it sensibly. We will take the hard decisions and we will make sure. For me the most important thing is to build a sustainable franchise. This is not about a day in the sun or a quarter in the sun. This is about building a sustainable, fabulous franchise. We will plug along, it is not easy but we will plug along. I have confidence that we can make it happen.

Michael Helsby: Just to follow up on that, you mentioned the mortgage business is not finished and there was some comments that you made about the online rate switching. I know you have invested a lot of time and effort in the mortgage business and particularly in the way you target other banks. I was wondering if you could talk to us a little bit more about that. The strap line you gave us was the £57 billion of your Premier customers that are elsewhere. I am sure there is a big balance in the other customers. Can you give us a bit of context on what opportunity that is?

Ashok Vaswani: That really demonstrates the power of data. You take an analysis of your book and you understand which of your customers actually are paying out, for example, every month on their mortgage to another provider. You understand that data. You try and get a better understanding of the data. You make sure the Premier relationship manager talks to the customer when they get an opportunity. The customer may be locked in on a two-year rate. You pencil in saying this is when the customer's term will come to a conclusion. How many months before that do you have a talk to the customer to be able to switch the mortgage? What is the best product for that particular kind of customer? It is a very systematic way of going about and asking your customers to do more business

1 Source: Bank of England | 2 Source: CACI with you, with products that make it more sensible for them. For our Premier base, which is the 1.1 million base, we have seen that they have about £57 billion of mortgages off us. If we can target that £57 billion, that obviously means we pick up a lot based on our data and our digital fulfilment.

Tim Doyle (Reinsurance Group of America): A couple of questions. The first is on cyber risk and what you are doing to work on that? The second is around social responsibility, particularly the growth in Consumer and how you see your growth plans there fitting into that? Thank you.

Ashok Vaswani: Cyber risk is obviously big on my mind, particularly when you are betting your brand on it. We have invested a lot in that space. The guy who heads it up for us is a guy who used to do it for the European Defence Agency, so he obviously knows a lot about it. We work very, very closely with the government. We work closely with other providers to make sure that we create a secure situation. You can never be totally secure and so am I paranoid about it? I am absolutely paranoid about it. We spend a lot of time on resilience. I think a lot about what happens if it goes down. It is not about just failing, it is about recovering really elegantly. What can we do to recover very elegantly to [allow customers to] get stuff done?

For example, in our business there are 108 customer journeys. Of the 108 customer journeys, 17 journeys make up about 80% of our transactions. If somehow I can take even a subset of that - so let us say, 'get balance', which is the most frequent thing customers want. If I am able to create and give a balance to the customer even if my data centre is down from a resilience perspective, it will be a big step forward. That is the kind of capability we are building. We are the only people, for example, who got 'active-active' on mobile. 'Active-active', as you may know, is keeping two data centres and replicating data instantly in real-time. If one goes down the other one works. Even if both go down we would be able to give balances on SMS to customers. That is the kind of detail that we are working at for those 17 customer journeys to be able to drive it.

The second question around society, I think that is a really, really, really important question. It is a really important question. There is absolutely no doubt in my mind that the digital revolution is going to be bigger than the industrial revolution or the agricultural revolution. I would submit we are just getting started. This is going to fundamentally transform virtually every single industry that we know. Like in every other revolution there are going to be people who make and come out big, but there are going to be a lot of people who are going to get left behind. We are really, really committed to making sure that we leave no one behind, whether it is teaching kids coding, whether it is taking young adults from the school place to the workplace through our LifeSkills programme. By the way, nearly 3 million young adults have gone through our LifeSkills programme. Digital Eagles, you do not need to be a Barclays customer. Walk into any Barclays branch, talk to a Digital Eagle, our Digital Eagle will help you with all things digital.

The fastest growing age community in this country is the 68+ segment. Magically at 45 glasses appear. At 50 you wonder why restaurants are so dark. At 55, my age, you walk into a shower room in a hotel and you are wondering which is shampoo and conditioner. Leveraging technology to really get over these vulnerabilities and disabilities is a big deal. We have done a huge amount of work on debit cards for visually impaired people or mobility or how blind people can access mobile phones. We have got ourselves accredited with that kind of stuff. Then I told you about small businesses and how we can help small businesses grow their business and how we can leverage the power of information to help large companies get ahead with their business. We are really committed to leaving no one behind. We are going to drive this hard and I think we can do it.

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