

Global Restructuring Group

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Andrew Tyrie MP
Chairman of the Treasury Select Committee
House of Commons, Committee Office
7 Millbank
London
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Dear Mr Tyrie

Treasury Select Committee Enquiry: SME Lending

I am writing to you in relation to the evidence I provided to the Treasury Committee on 17 June, alongside Chris Sullivan. As you will be aware, Sir Philip Hampton has undertaken an investigation following concerns raised that Mr Sullivan and I may have misled the Committee with some of our evidence, particularly around the issue of Global Restructuring Group (GRG) acting as a 'profit centre'. I do not wish to add to the Chairman's comments on this matter, other than to apologise for any confusion caused as a result of that evidence.

I agreed I would confirm to you the figures I quoted in response to Stewart Hosie's question (numbered 655 in the transcript) in relation to the losses suffered by West Register. I said that West Register has lost in the region of £120 million (from 2008 to 2013), the precise figure is £111 million.

I also wanted to take this opportunity, having re-read the transcript in detail, to clarify one further point. In answer to a question you asked around the independence of Clifford Chance. At the time of your Committee, I thought that the partner coordinating the review had never worked for RBS. Upon checking I now understand that the partner had previously worked for the main bank but had not worked specifically for GRG. Please accept my apologies.

Finally, I have reflected upon Jesse Norman's question: "When there is a conflict between the bank and its customers, is your policy to put the customer first or the bank first?" to which I replied: "The Customer always." So far as we are able, we always put the customer first. There will inevitably be circumstances when banks work with customers on financial restructurings where commercial tensions do arise. In those situations RBS' and a customer's interests may on occasion diverge. An objective of GRG was wherever possible to return customers to financial health.

Yours sincerely



Derek Sach