Company Name: Walker & Dunlop, Inc. (WD)
Event: KBW Mortgage Finance Conference
Date: June 2, 2015

<<Jade Rahmani, Analyst, KBW>>

Get ready for the next session, we have Walker & Dunlop. Very pleased to introduce Willy Walker, CEO. Before diving into questions, since Walker & Dunlop's IPO, the company continues to evolve in various ways including through M&A, perhaps Willy, you could start off by talking about the evolution of the company and how you envision growth taking place over the next several years?

<<Willy Walker, Chairman and Chief Executive Officer>>

First of all, it's great to be at the conference, thank you, Jade for having us and Tom [ph] great to have you here and KBW is inner goal to W&D's IPO and so, it's actually KBW and [Indiscernible][00:00:37.1] who came up with the concept of going public. So we owe a lot to being here today to you guys, so thank you very much.

It's a – I appreciate you're backing up a little bit there Jade in the question because when we did go public the world was a very different place in 2010, the mortgage finance markets were very distinct from how they are today, and at that time our growth and partnerships with Fannie Mae and Freddie Mac had allowed the company to grow dramatically in 2009 and 2010 when many other mortgage lenders were still trying to recover from the mortgage crisis.

We had a clean balance sheet, we had access to capital that many other people didn't have at that time, but we were very much focused really just on our agency lending business and then HUD at that time, and went public with the $220 million market cap, had 10 bucks a share, and it was – we needed to raise the capital, but I would put forth that the world at that time probably didn't really need a micro cap stock in a mortgage space. And I think mortgage was still relatively speaking a four letter word back then in 2010.

And so as we evolved as a public traded company there were couple of things that we set up to do. First of all, we've raised the capital because we wanted to grow, and we were capital constrained as a private company. We had bought Column Guaranteed from Credit Suisse in 2009 in the depths of the downturn and had put that together with Walker & Dunlop to gain scale with the agencies, but we saw a lots of other opportunities and being capital constrained the public offering provided us with the currency we wanted to continue to grow.

We also saw the opportunity for the mortgage brokerage to markets to heal and comeback from having basically exploded in 2008, 2009 and some of our peers suffered tremendously during that period of time and so the ability to grow our brokerage business was something else we wanted to raise capital for.

So then in 2012 when Wes Edens at Fortress called me and said, would you like to talk about a deal for CW? We had at that time created the seventh largest Fannie Mae DUS lender, I think we were eighth or ninth with Freddie Mac, we had a HUD business we were somewhere around there in the lead table, so the opportunity to take Walker & Dunlop and CW and put the two of them together to create a real market leadership position, it seems like a great move.

And the regulatory landscape at that time was such that GSE Reform on Capitol Hill seems to be stalled not really with a whole lot of momentum about it, plenty of rhetoric, but not a lot of real needed substance to it. And on the regulatories front with FHFA and de Marco was frustrated as a regulator waiting for Capitol Hill to do something, but everything seems to be reasonably, I’d say, benign at that point.

We do the deal on September of 2012, we gained the scale that’s the combination of Walker & Dunlop and CW created, and in the end of 2012 things were great, the combination created, moved us up to being the largest Fannie Mae DUS lender in the country, moved us up to being the fourth largest Freddie Mac seller servicer, sixth largest HUD originator in the country.

And some real scale, it also took our $17 billion servicing portfolio and combined it with a $15 billion servicing portfolio to create one of the largest commercial servicers in the country. And then de Marco came out in March of 2013 and said Congress isn’t going to get around to reforming the agencies, I'm going to act as a regulator and put some caps on their multifamily business and I'm going to decrease their volumes by 10% and the world really shifted.

And so if you think back that’s only two years ago pretty much right now, okay. And at that time you had a regulator who was trying to remove the agencies from the market. You had Fannie and Freddie for the first time dealing with caps and how they would manage their capital and they had also done a tremendous amount of lending at the beginning of 2013, carryover business from 2012 and 2013. So when the caps came out, they had already put out a lot of the money towards those caps, which is what caused them to pull out of market in Q3 of 2013.

The strategy behind combining Walker & Dunlop and CW was still very much intact in the sense that being one of the largest GSE lenders in the country had real value to it. And at the same time the regulatory shift threw us a curve at the time. We had spent time in 2012 and through 2013 and into 2014 growing our brokerage business. And so that had added a new business to it, and then when we also acquired CW, we've started doing some balance sheet lending and using the balance sheet of the combined firms to go and do bridge loans in the multifamily space.

So fast forward through to 2014, Ed de Marco lease FHFA and comes Mel Watt, and in 2014 everyone was really waiting to see what Watt's first scorecard would say. Watt comes out with his scorecard that says I'll leave the cap for Fannie Mae at $30 billion of market rate, I'll raise the cap for Freddie Mac from $26 billion to $30 billion, so net positive. And I'll also give them the ability to go beyond their caps in affordable loans, small loans and manufactured loans.

Anybody reading that scorecard would say that was a very, very positive scorecard for the agencies GSE of multifamily businesses, so one side note to all that which is that both Fannie and Freddie had said to FHFA during 2014 that the 2015 market was going to be even bigger.

So in May of 2014 the agencies really get back into the market and as you know from their volumes Jade subsequently, they both did about $2 billion to $3 billion of month of originations for the balance of 2014. The 2015 scorecard comes out with those modifications taking them all up. And we begin the year and the volumes are huge, and it's twofold on why the volumes have been so huge, first of all, there is a slide that we use when we went public, that shows the refinancing volumes in commercial real estate and it went from 2010 basically kind of every year down, down, down until 2014, plateaued and then starts the claim back out.

2015 has a significant increase, 2016 has an incredible increase and 2017 has an even bigger increase. And most investors in W&D sat there and look at that and said when that hits, it's going to be a great time to be sitting in this seat. And Q1 clearly showed that the refinancing wave is upon us. The second thing is that there was a huge amount of investment sales activity in the multifamily space in Q1 huge.

Investors were very active on both buying and selling assets and with where interest rates are, and although cap rates have come down significantly, people still could make deals work. I will say that a lot of the deals to make them work instead of going on fixed rate 10 year financing, lots of buyers were buying on variable rate shorter-term financing, so instead of doing a 10 year fixed rate that in Q1 was being priced out, I would give you a range of somewhere between at 3.75 and 4.25 coupon, they were going on a variable rate that was coming in with a coupon in the low threes, potentially in the high twos, and taking the interest rate risk obviously putting caps on them by taking the interest rate risk that is inherent on having a floating rate instrument.

And so as everybody knows FHFA had the caps at $30 billion, Fannie and Freddie put out a lot of capital went back into the regulator towards the end of Q1 and said, if we keep going at this pace, we will hit the caps. So FHFA went and did some research on what they have to do and came out with as you know Jade revisions to the caps. The caps are still in place - excuse me, revisions to the scorecards, not to the caps.

This scorecard is still in place with the caps of $30 billion, but what FHFA did was they redefined what affordable housing was and in redefining the affordable targets at what loans count as affordable or not affordable. Fannie and Freddie are right now in the process of recalculating all the business they've done up until this point in the year. What fits into the affordable definition now, and then they will sit there and say, okay how much more space do we have under our cap market rate lending? And then how much more in the future, when we do the 30, there is affordable or not affordable. So that's I would say that FHFA moving as quickly as they did from those of us in the market was extremely positive.

And longer-term quarter-to-quarter, Fannie and Freddie's volume may vary a little bit as it relates to they probably don't stay on the same pace, they did in Q1 for the rest of the year. But as – if you think about just going back to the beginning point, two years ago right now, the regulator stepped in the outlook for the agencies multifamily business was cloudy if not stormy. They just cap them, they bought them down by 10% and you had a regulator basically saying I want to try and pull them out of the market.

Today, you have a regulator who is basically said I'll wait for Capitol Hill to figure out what to do with the agencies. I have a role as a regulator and then when they set, what many people deemed to be a very favorable scorecard, it wasn't enough and they went back and made some adjustments to keep them in the market.

So now the question would be what 2016 scorecard look like? We'll see, nobody knows, next couple of months will be lots of discussions about what the 2016 scorecard looks like. But long-term that piece of it looks very positive from a regulatory standpoint. And then GSE Reform and the whole debate on capital and about that, if you look at Senator Shelby's most recent Draft Legislation, it's really more focused on the shareholder lawsuits and sort of making sure that G-Fees, don't go away to other government spending rather than really housing finance reform.

There is not in Senator Shelby's Draft Legislation, there is not, there are really deep thought and analysis that was in Johnson-Crapo for instance. Okay, if we were to reform this, what would it look like, how do you capital in, how do you sell the guarantee, who can get the guarantee, all that kind of stuff. So the Shelby Legislation has GSEs in it, but it's not GSE reform legislation, it's, let's make sure that while they are in this form, nobody comes in and really runs away with the money if you will.

<<Jade Rahmani, Analyst, KBW>>

In terms of the exclusions, we heard on earlier panel a view that market consensus seems to be centering on about $10 billion for each GSE of volume that could qualify for the exclusions, do you agree with that? Do you think it's higher, potentially lower or what would be your view?

<<Willy Walker, Chairman and Chief Executive Officer>>

So it's impossible right now to say exactly because a, they haven't come out with a reclassification of what they've done year to date because FHFA has not defined yet, what the very high income and high income markets are. So until FHFA comes out and says, New York city, Washington DC are very high income. Atlanta is high income, but not very high income. They can't take the loans that they've done year-to-date run them through them through the model and say okay, that loan that we thought was all against the cap, now that's in a very high income area X percentage of the units don't count against the cap and therefore I can pull that out of my market rate cap number. So now I know how much headroom I've got.

With that said, what the other panelist said is very consistent with what has been discussed, that with the exclusions of the new affordable targets, small loans and manufactured housing that $40 billion is not a number that has been disputed, and at the same time it is truly impossible at this point to say whether that's somehow do because it's not only retroactive that they can't calculate, but it's also perspective that you don't know how much affordable housing they're going to be able to do or small loans or manufactured between here and the end of the year, that doesn't count against the cap, they would add $1 billion here, $1 billion there.

<<Jade Rahmani, Analyst, KBW>>

Within the excluded categories, where do you think Walker & Dunlop is stronger?

<<Willy Walker, Chairman and Chief Executive Officer>>

So we do a lot in manufactured housing, we have done tons of business in manufactured housing at Fannie Mae and then Freddie Mac, entered the manufactured housing space last year, we did the first manufactured housing loan with Freddie Mac and we are their largest manufactured housing originator in 2014. So we have access to a lot of deal flow in manufactured housing. And then on affordable, we have plenty of access to it and with the new definition of affordable, that's going to be a lot of what is typically market rate, but components of it will qualify for the affordable bucket.

And so I think it's very difficult to, I mean if you say just a purely affordable deal, we have a pretty big HUD lending practice, so we have lots of clients who have borrowed, if you will affordable loans in the HUD world, lot of that qualifies for Fannie and Freddie. And so, we're quite strong there, but one area where we are not strong is in small loans. We acquired a small loan origination business when we acquired CW, we were in that business for a year. That business is dominated by the commercial banks. Our average deal size in Q1 was $22 million. We have our origination sales force that is looking for big deals not five unit multifamily partner building that has got a $400,000 loan on it. So…

<<Jade Rahmani, Analyst, KBW>>

And how about the seniors housing space, you've done, is that a…

<<Willy Walker, Chairman and Chief Executive Officer>>

So we just did a big deal on seniors, with new seniors $640 million deal in Q1. The modifications to the scorecard that FHFA came out with, said that assisted living that meets 80% of AMI task will be excluded from the cap. There was one component to that that everyone thought was coming in, which is independent living and that new seniors portfolio is independent. It is our understanding, but not yet clarified by FHFA, that what they had intended to say was, the seniors living, which includes assisted living and independent living. When and if they do come out with that clarification, things like that portfolio that we did with new seniors had 80% of AMI and much were how much of it qualify just 80% of AMI, but a quite a bit of that would not count against the cap. So that does open up a pretty significant opportunity in the seniors housing space for independent living deals.

<<Jade Rahmani, Analyst, KBW>>

In terms of the other pieces of the business, can you talk about the brokerage business, how you view that also what percentage of that is GSE loans or eventually purchased by the GSEs as well as the CMBS conduit that you've formed?

<<Willy Walker, Chairman and Chief Executive Officer>>

So on the brokerage business, the brokerage world is very active right now, if you just look at some of our competitors in the CBREs and the JLLs and the HFFs of this world and the volumes that they are originating on their brokerage business. We had 87% quarter-on-quarter growth in Q1, I think I'm right on that 87% year-on-year growth and our volumes on our brokerage business. There is a lot of volume right now, that whole refinancing wave that's 2015, 2016, 2017 the majority of it is not multi.

So to get access to non-multi deals, most of that stuff gets gone through brokers. And so the fact that we now have a scaled national brokerage platform is fantastic for us to capture that deal flow. And behind all of that we stated to investors back in 2012, when we started to grow our brokerage platform was that we wanted to use proprietary capital, capital that Walker & Dunlop controls to meet our borrowers needs. So rather than just taking the loans and brokering them off for a brokerage fee, and having nothing to do with the long-term capital solution, we wanted to create long-term set capital solutions.

So the conduit is one of those. And we formed a joint venture with Fortress last year to underwrite and lend on and then securitize commercial mortgage backed securities. So that venture's up and running. It has taken longer to get to the volumes that we wanted to see from it than we've expected. We told investors that we're hoping to do a $1 billion in first year, it's going to be more like 300 to 350 from sort of the first year. But if you look at it, we were at a – we wanted to be at a $100 million of month run rate and one more like at a $50 million of month run rate right now. And that's great because the profitability has been good, we have been chasing deal flow and I'm very pleased that because we were late entering to the market, we'll be able to use our platform and size to be able to gain some scale. And I think it's got a very, I think we've got some good runway here.

<<Jade Rahmani, Analyst, KBW>>

Is the $1 billion annual targets bill in place?

<<Willy Walker, Chairman and Chief Executive Officer>>

Yes, I mean there is – we would like to continue to scale at, we're adding origination talent, as I said the profitability in it is very solid today. And we're not doing dumb deals. I would say, we're seeing some dumb deals, but we're not doing them and so as long as we maintain our discipline and continued to cycle, those were all cycle to the warehouse loans that we're holding on to. So we don't want to aggregate more than $100 million to $200 million of loans and then go and to securitize them. As long as we maintain that we keep our risk level low and I think it's a great business line.

<<Jade Rahmani, Analyst, KBW>>

In terms of the investment sales, you've mentioned part of the 1Q strength was a big pickup in the investment sales. Can you talk about what's driving that? And secondly, the decision to enter that business yourself investments sales, what's behind that and how do you anticipate that business growing?

<<Willy Walker, Chairman and Chief Executive Officer>>

So Q1 investment sales, generally speaking in commercial real estate was driven by just a huge desire for U.S. commercial real estate, whether you're a Chinese investor investing in San Francisco, Latin American investor investing in Miami or European investor investing in New York or Washington DC. There is a big drive around the globe to come to the states for a piece of the rock. And that is compressed cap rates and if you are a core buyer in one of the Gateway cities, it's very hard to get product right now, because I mean every sovereign wealth fund and I mean there is a kind of feeding frenzy for Class A commercial real estate in Gateway cities.

So that's driving the investment sales business, as it relates to our investment in Engler. We had a partnership with Cushman & Wakefield to take their in multifamily investment sales business and tie it with our agency lending business. That didn't really work very well, when we bought CW, they had a partnership with ARA and so we got out of our relation with Cushman & Wakefield and if you will, we bought the relationship with ARA. The ARA, Walker & Dunlop joint venture worked quite well. ARA was sold to Newmark last year, and so when that partnership went away, we started looking for potential acquisitions or hires and Engler was a fantastic fit.

And I'd say it was strategically a good fit, but the most important thing was I met with Greg Engler and immediately knew he was someone I wanted to do business with, just like when I first met Tom [ph], somebody I wanted to do business with, and that meant a ton. And so yeah, the businesses were complementary with each other. I think they will be hugely complementary and they are a great platform, but more than anything Greg and his teams approach to our business is lines up just with Walker & Dunlop extremely well.

<<Jade Rahmani, Analyst, KBW>>

And you've mentioned plans for expansion for that can you talk more about that?

<<Willy Walker, Chairman and Chief Executive Officer>>

So we want to grow and there is a great opportunity to grow, I think the big issue with that is finding either acquisition targets or finding talents that we want to bring across W&D. There are plenty of people who greatly benefit from being on the larger platforms, where they are getting the tying of all the different relationships or what have you. There are also people who may not be the person who gets the benefit of all the tie-in of being on one of these big platforms and might be the next generation of an originator who would blossom on a Walker & Dunlop platform where they are the top person.

We’ve got 22 offices across the country and we’ve got fantastic relationships with the majority of multifamily borrowers in the country. So the ability to go and bring across talent from some of our big competitors, I think is – I know it’s a great opportunity.

<<Jade Rahmani, Analyst, KBW>>

The interim lending business, can you talk about if you expect to maintain the size at around $200 million of loans on the balance sheet, you’ve also mentioned plans for a securitization. What do you anticipate taking that?

<<Willy Walker, Chairman and Chief Executive Officer>>

We’re giving guidance about $250 million of loans as we’d like to have on the balance sheet, it’s really at the end of the day it’s twofold. The first is how much of our own capital we want to put into it, because we are using capital to buy businesses and invest in other parts of our company and buyback stock and do things of that nature.

The second thing is from a risk standpoint, the loans that we are putting onto our balance sheet, we love, they are fantastic loans it’s great real estate. But we did live like everybody else in this room through the 2008, 2009 financial crisis, when a lot of people who had lines and those lines got called weren’t positioned well to take care of that.

And so one of the main reasons why we focused just on multifamily to begin with is that if we did have some type of a crisis, the agencies are counter cyclical and would step in and we could take those loans and move them off the permanent financing from the agencies. If they were retail loans, or hospitality loans, there is no lender of last resort sitting out there to be able to move them off. But the second thing is, how much do we want to have outstanding in warehouse lines if all of a sudden our warehouse lender say guess what time to type we’re calling your line.

So Steve is obviously very focused on that to make sure that portfolio and the size of the portfolio is something that we have no issue whatsoever as far as having the warehouse lines on, but looking for a more permanent source of capital to fund that lending operation is probably something that we do during the course of 2015, 2016.

<<Jade Rahmani, Analyst, KBW>>

I think we should stop and poll for questions from the audience. Any questions?

Q&A

<Q>: Just I heard about the $1 billion target for the CMBS that was for 2014…

<A – Willy Walker>: Yeah.

<Q>: You did about $300 to $350 this year, it means [Indiscernible] [00:24:37.7] reporter with Real Estate Capital Banks. Any target for 2015?

<A – Willy Walker>: That's what I was saying, it was, we want to get it to a $1 billion year run rate.

<Q>: Got it.

<A – Willy Walker>: And the market as you know is cranking through a lot of volume right now, I wouldn't be surprised, if we see over a $100 billion done this year in CMBS. And so if we are going to be in the business, and the business is, I mean scale really matters. The whole reason we've done this growth strategy is because scale does matter and we've seen the great benefit of being number one with Fannie, number three with Freddie, what have you and creating the national footprint. At the end of the day, our money is just as green as anybody else's money and the differentiator is our people and then also our scale.

So for us to keep growing in the CMBS space, we got to get our volumes up, but do it in a measured fashion, as I said previously. And I've been very pleased with the loans we've done in the collateral we've contributed to the securitizations we've done so far.

<Q – Jade Rahmani>: Are the securitization shops that you guys work with eagerly looking for your participation? I would imagine that you help diversify…

<A – Willy Walker>: Ask the question you really want to ask Jade.

<Q – Jade Rahmani>: Well, we've heard a lot of push-back on smaller contributors to securitizations, but I think at a competitive advantage you guys have is within the multifamily space. So I think if you…

<A – Willy Walker>: So to your specific question there has clearly been the third-tier originators who have been contributing collateral for the large securitization have also got, have been talked to about getting kicked out. And that has come from both the B piece buyers as well as the A buyers basically saying we want collateral from Wells Fargo and J.P. Morgan, we don't want collateral from XYZ.

We are fortunate to have a) some pretty big scale b) to be a very large partner with some of these larger banks on our both agency lending side as well as just general banking side, so that we feel very good about our relationship with them and our ability to continue to contribute. We do want to add, we've been contributing to only one shop so far, we're just about to add our second and we will figure out whether we want to add a third to it.

Quite honestly, before we start contributing to three platforms, I want to make sure we got about deal volume to make it, so that they don't all call us up and say hey, congratulations in aggregate you've done that much for one of us that defined for all three of us it doesn't work. So we feel very good about it right now and the position we are sitting in. But clearly that has been a pressure on lot of the other small shops and we actually have looked at that as potentially an opportunity, we've got some of those other small shops and see whether we can pick up either talent or their platform to join us, because they now no longer have a place to sell their collateral.

<Q – Jade Rahmani>: [Indiscernible] okay go ahead.

<Q>: I was just wondering, what do you feel like it is a right leverage for the company?

<A – Willy Walker>: Steve, do you want to go with that?

<A – Steve Theobald>: Sure I can [Indiscernible] [00:27:45.5]. Thank you, so right now we have about $170 million of debt on the balance sheet, which is from the term loan transaction, we did back in December 2013. At that point, I think our leverage on an EBITDA coverage basis was about 3.5 to 1.0. Right now it's sub 2, and I think our sense is given the cash flow that we generate we could probably lever that comfortably at four times, if we wanted to. And our EBITDA was about $100 million for last 12 months.

<Q – Jade Rahmani >: I thought, I would ask you the stock has done tremendously well in a very short period of time, I think up about 50% in two months. So would you like to make an argument for why the stock still remains a compelling value in the current market environment?

<A – Willy Walker>: So there is a lot, I think that plays into the stock's performance over the last couple of months. I'd put forth that we are looking at this on a very long-term basis, if you will and so the fact that it's up 50% in the last two months to be perfectly honestly, it's great, I love seeing it. But at the same time, anybody who has been in one-on-one meetings with me has heard me say that I still think it's quite undervalued from both the PE standpoint, given the growth we've put up and the business model we have created.

I would also mention that – I think one of the things that we've done quite well is to play our capital to buy back stock. If you look a year ago, we just taken out Credit Suisse, who had 3.5

million shares in the stock and in March of 2014 we bought back all of CSs position. And at that time, Fortress still owned 10 million shares in Walker & Dunlop. So there was a pretty significant overhang in the stock than Fortress sold 2 million in November and then they sold 5 million, we bought back 3 million in March to completely, over the course of what that was just about a year, completely remove the overhang in the stock. I think a lot of investors have been sitting there, sort of saying hey, like the company, like the focus and the mix and the financials, but at some point CS or Fortress or Sellers and I'm not sure, I want to get in that. So I think removing them and getting that overhang out of the stock has been hugely helpful.

We got put into the S&P 600, which is increased our liquidity. And so those two things just from a market fundamental standpoint as far as just kind of being an investor in Walker & Dunlop clears the picture a lot. A lot more volume and we've got the overhang out, then you do what we did in Q1, and all by the way, our Q1 performance is something we've been talking about for four years.

So we've been building a platform to take advantage of this market, and then all of a sudden we get there, and people during our Q1 call afterwards sort of it would be like wow, was this expected? And I sort of said, it's all we've been talking about. We built this platform to get to this point and now the market is here. So it's really great to see, but we've got, I mean this is a three year refinancing rate, we are in the first quarter of the first year, or we just finished the first one, in the second quarter of the first year.

And I guess the other pieces to it all thinking even longer-term is that our business is very countercyclical, where Fannie and Freddie and HUD are countercyclical sources of the capital to our commercial real estate space. So if for whatever reason, and heaven forbid it happens, we have any kind of financial crisis like we did last time, W&D grew dramatically in 2009 and 2010. When lots of other people were on the sidelines, so one of the big things that we do struggle with a little bit is for instance in investment sales, it's a great business right now.

I want to grow that business dramatically right now, but that business goes away at some point. There is a point in 2009, 2010 nobody wanted to buy an asset, a commercial real estate asset, there was no market, right, so all the brokers are sitting on their hands in 2009 and 2010. So we have the opportunity to build the national scale platform and put people in and most of those brokers it's variable cost, there is not a lot of fixed cost that go with them, so you would like that. But how in do you want to be between now when the cycle ends, because our core business, our financing business always has deal flow, and the nice part about that is that the only commercial asset class that has significant refinancing volume growth in 2018, 2019 and 2020 is multifamily, because Fannie and Freddie and HUD were in the market in 2009, 2010, and 2011 when there was no capital for any other asset class.

So our sort of core business of multifamily financing actually looks really good in 2018, 2019, and 2020. And so what we do between here and there to take advantage of the upswing in the market from a refinancing standpoint and then the growth of our platform will tell investors, okay what's 2018, 2019 and 2020 going to look like for W&D. And we are very focused on what that looks like right now.

<<Jade Rahmani, Analyst, KBW>>

Any other questions from the audience? Great, well I think that’s actually the end of the session, so thank you so much Willy, thanks very much.

<<Willy Walker, Chairman and Chief Executive Officer>>

Thank you, Jade, appreciate it.