The Royal Bank of Scotland Group

Investor Round Table on US Business
8th March 2010

Important Information

Certain sections in this presentation contain ‘forward-looking statements’ as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements that include the words ‘expect’, ‘estimate’, ‘project’, ‘anticipate’, ‘believes’, ‘should’, ‘intend’, ‘plan’, ‘probability’, ‘risk’, ‘Value-at-Risk (VaR)’, ‘target’, ‘goal’, ‘objective’, ‘will’, ‘endeavour’, ‘outlook’, ‘optimistic’, ‘prospects’ and similar expressions or variations on such expressions.

In particular, this document includes forward-looking statements relating, but not limited, to: the RBS Group’s restructuring plans, capitalisation, portfolios, liquidity, return on equity, leverage and loan-to-deposit ratios, funding and risk profile; the RBS Group’s future financial performance; and the RBS Group’s potential exposures to various types of market risks. Such statements are subject to risks and uncertainties. For example, certain of the market risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic conditions in the UK and in other countries in which the RBS Group has significant business activities or investments, including the United States; developments in the current crisis in the global financial markets, and their impact on the financial industry in general and on the RBS Group in particular; the full nationalisation of the RBS Group or other resolution procedures under the Banking Act 2009; the monetary and interest rate policies of the Bank of England, the Board of Governors of the Federal Reserve System and other G7 central banks; inflation; deflation; unanticipated turbulence in interest rates, foreign currency exchange rates, commodity prices and equity prices; changes in UK and foreign laws, regulations and taxes, including changes in regulatory capital regulations; a change of UK Government or changes to UK Government policy; changes in the RBS Group’s credit ratings; the RBS Group’s participation in the UK Government’s Asset Protection Scheme and the effect of such scheme on the RBS Group’s financial and capital position; the conversion of the B Shares in accordance with their terms; the ability to access the contingent capital arrangements with Her Majesty’s Treasury (“HM Treasury”); limitations on, or additional requirements imposed on, the RBS Group’s activities as a result of HM Treasury’s investment in the RBS Group; changes in competition and pricing environments; the financial stability of other financial institutions, and the RBS Group’s counterparties and borrowers; the value and effectiveness of any credit protection purchased by the RBS Group; the extent of future write-downs and impairment charges caused by depressed asset valuations; the ability to achieve revenue benefits and cost savings from the integration of certain of ABN AMRO’s businesses and assets; natural and other disasters; the inability to hedge certain risks economically; the ability to access sufficient funding to meet liquidity needs; the ability to complete restructurings on a timely basis, or at all, including the disposal of certain non-core assets and assets and businesses required as part of the European Commission’s State aid approval; the adequacy of loss reserves; acquisitions or restructurings; technological changes; changes in consumer spending and saving habits; and the success of the RBS Group in managing the risks involved in the foregoing.

The forward-looking statements contained in this presentation speak only as of the date of this presentation, and the RBS Group does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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Group Introduction

Bruce Van Saun
Group Chief Financial Officer

RBS
The Royal Bank of Scotland Group

Losses Are Narrowing

Impairments down 2nd quarter in a row

NIM expanding

GBM doing well

Retail & Commercial turning the corner

Expense programs on track

Balance sheet much stronger in all respects (Capital, liquidity, funding); size reducing impressively

Weighing on bank stocks: Uncertainty of Basel 3; sovereign risk & potential impacts on economies

Delineation of Core/Non-Core and impact of future valuation now clearer

The Royal Bank of Scotland Group

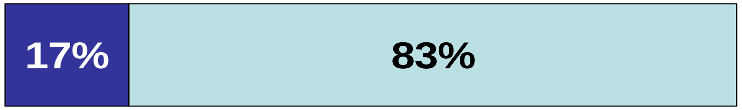
The US Operations are Core to the Group

Retail & Commercial[1]

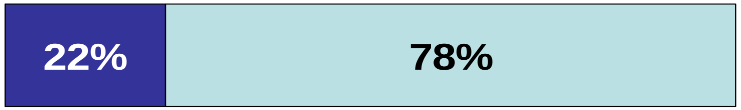
In steady state we expect Retail and Commercial to generate c.2/3 of Core Revenue, US R&C will be a fundamental contributor to this balance

US R&C | Remaining Core R&C

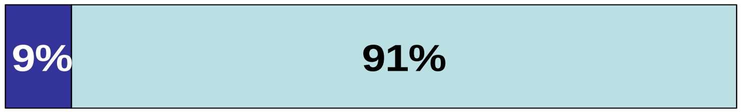
FY09 R&C Income



FY09 R&C Costs



FY09 R&C Pre Impairment Profit

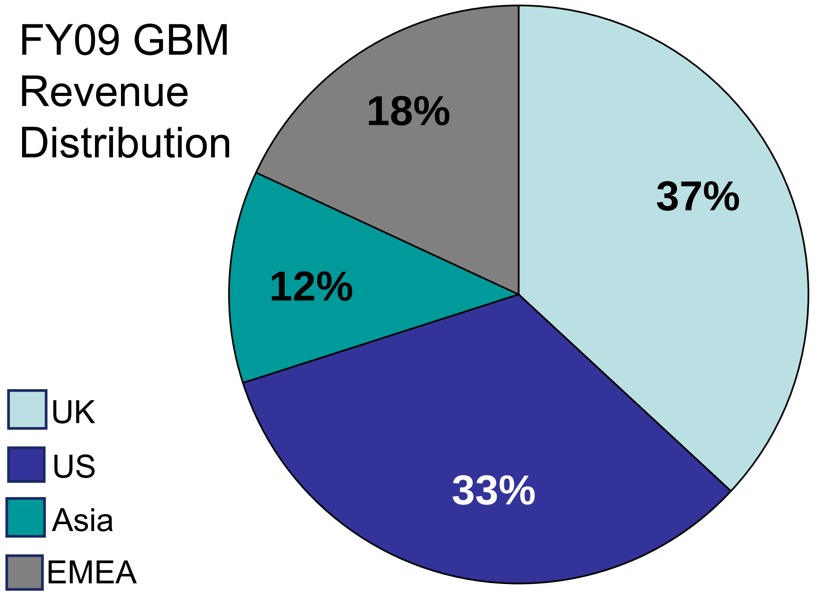


- US R&C generates a significant proportion of core R&C income, with equivalent cost and impairment profile.
- Opportunity to substantially increase contribution exists with an improving yield curve, normalised impairments and business model refinement

Global Banking & Markets

GBM delivered a strong revenue performance in 2009, a significant contributor to which was the Americas business.

FY09 GBM Revenue Distribution



- GBM Americas represents a key component of the Core GBM business model and its ability to service clients through the major Global financial centers.
- The business offers strong financial market and banking products to GBM clients, particularly in rates and mortgage markets

Core US Income[2] represents c.21% of 2009 Group Core Income

[1] UK Retail, Wealth, UK Corporate, US Retail & Commercial and GTS

[2] US Retail & Commercial including associated GTS revenues plus GBM Americas

Citizens Financial Group

Ellen Alemany
John Fawcett

Ellen Alemany

Chairman and Chief Executive Officer
Citizens Financial Group, Inc. and RBS Americas

New Management Team

Stephen Hester
CEO, RBS

Ellen Alemany
Chairman and CEO
Citizens Financial Group

Consumer Finance
B. Conner

Citizens**: 1 yr. 6 months
Banking: 22 years
Consumer Lending: 22 years

Consumer & Business Banking
M. Bischoff

Citizens**: 1 yr.
Banking: 25 years
Retail: 25 Years

Commercial Banking
R. Matthews

Citizens**: 8 months
Banking: 24 years
Commercial Banking: 21 years

Global Transaction Services*
Prabhat Vira

Citizens**: 1 yr. 9 months
Banking: 23 years
GTS: 6 years

Business Services*+
D. Bowerman

Citizens**: 1 yr. 5 months
Banking: 27 years
Business Services: 11 years

CFO/Finance*+
J. Fawcett

Citizens**: 2 yr. 3 months
Banking: 25 years
Finance: 15 years

Legal*+
S. Goldfarb

Citizens**: 1 yr. 5 months
Banking: 16 years
Legal: 33 years

Human Resources*+
E. Tressitt

Citizens**: 2 yr. 3 months
Banking: 27 years
H.R.: 27 years

Risk Management*+
J. Cook

Citizens**: 1 yr. 5 months
Banking: 20 years
Risk: 16 years

Corporate Affairs*+
Barbara Cottam

Citizens**: 8 months
Banking: 16 years
Public Relations: 25 years

Audit*+
M. Links

Citizens**: 1 yr. 2 months
Banking: 12 years
Audit: 16 years

*Also reports to RBS Group leader,   , **Denotes time in current Citizens role, $^{+}$Dual hatted as CFG & RBS Americas*

Citizens Financial Group

Retail

Consumer & Business Banking
- Branch Banking
- Business Banking
- Debit Cards
- Investments
- Wealth Management

Consumer Finance
- Mortgage
- Home Equity
- Cards
- Indirect Auto
- Student Loan

Commercial

Commercial Markets
- Commercial Lending
- Government Banking
- Mid Corporate

Commercial Finance
- ABL
- RBS Business Capital
- Dealer Finance

Commercial Real Estate

Global Markets
- Foreign Exchange
- Derivatives

GTS

RBS Worldpay

Cash Management

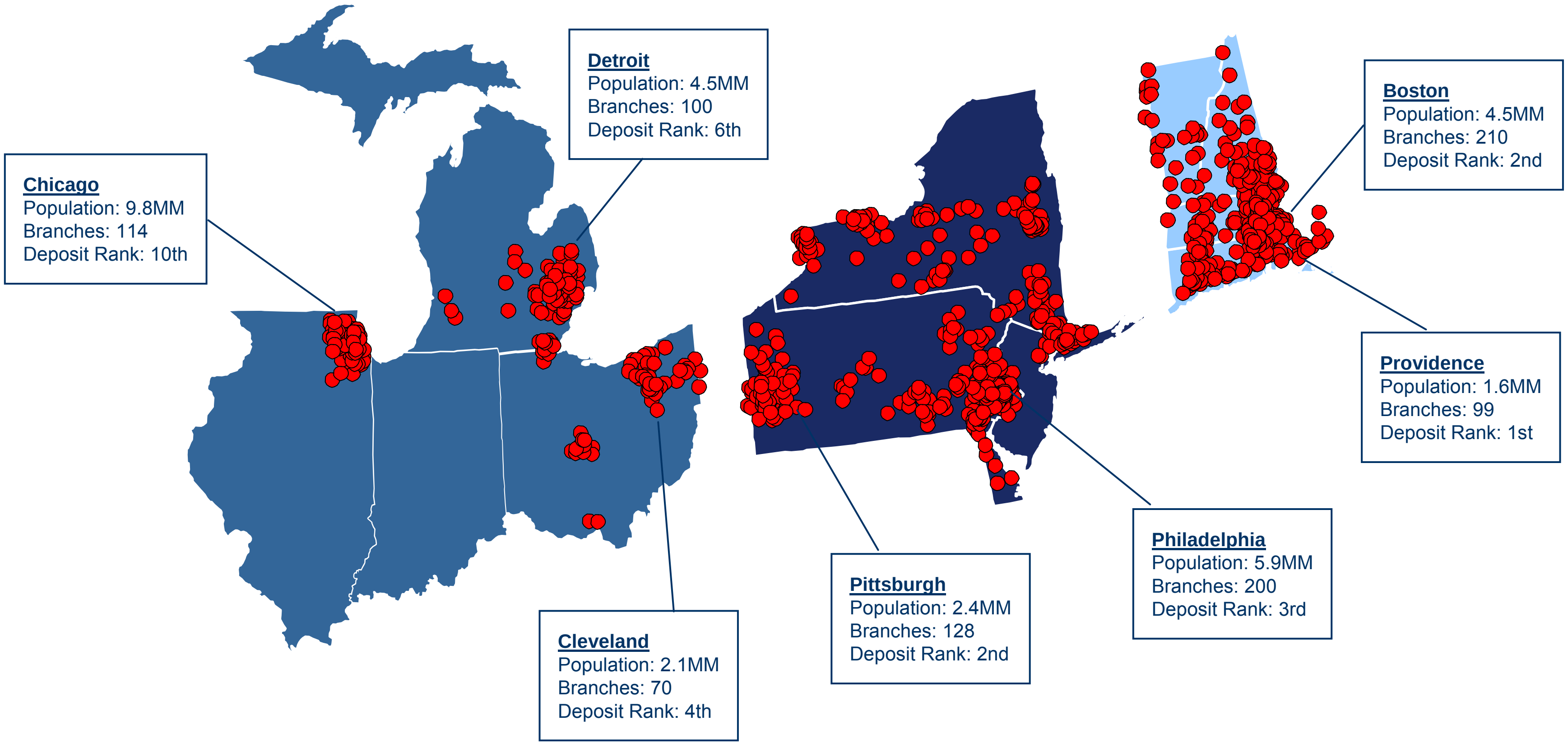
Infrastructure

Business Services

Property

Facilities

Branch Franchise



Midwest	Population (MM)	Branches	Deposit Rank
Illinois	13.1	111	10th
Ohio	11.6	150	7th
Michigan	10.2	108	9th
Total	**34.9**	**369**	**10th**

Mid Atlantic	Population (MM)	Branches	Deposit Rank
Pennsylvania	12.6	383	3rd
Delaware	0.9	26	6th
New York	19.5	226	11th
New Jersey	8.8	15	38th
Total	**41.8**	**650**	**7th***

New England	Population (MM)	Branches	Deposit Rank
Massachusetts	6.5	254	2nd
Rhode Island	1.1	82	1st
Connecticut	3.5	49	8th
New Hampshire	1.3	83	1st
Vermont	0.6	25	5th
Total	**13.0**	**493**	**2nd**

		U.S. Ranking
■ Assets	$148 billion	#11
■ Deposits	$98 billion	#13
■ Loans	$96 billion	#9
■ Employees (FTEs)	21,200	#11
■ Branches	1,512	#9
■ ATMs	3,554	#7
■ Customers	6.7 million	

Strategic plan meets RBS evaluation criteria

	Description	Assessment	Rationale
Customer Franchise	▪ Strong market share ▪ Enduring customer franchise	✓	▪ Top 5 player in the markets in which we operate; top 10 nationally
Returns	▪ Forward looking returns above hurdle rate (15%) in normal times ▪ Higher hurdle rate for riskier businesses	✓	▪ Return reaches 15% by 2013
Growth	▪ At least 5-10% organic growth in normal times	✓	▪ Expect a strong rebound as rate environment normalizes
Risk and Funding	▪ Proportionate users of risk and balance sheet vs. profitability ▪ Funding requirements	✓	▪ Citizens loan to deposit ratio below 1 to 1 ▪ Fully self funded
Connectivity	▪ Fit with RBS franchise ▪ Shared skills, efficiencies and client transactions	✗/✓	▪ Citizens cross-sells GBM and GTS products (GTS makes up 10% of US Core 2009 revenues), coordinates with manufacturing and technology, and receives capital

1 ROE in US Retail and Commercial Banking is Return on Tangible Equity, which excludes goodwill from equity. All figures shown are ROTE unless expressly stated otherwise

- **VISION**: Our goal is to earn our **customers' loyalty** and serve as their **primary banking partner** providing **local**, helpful service and **global** resources. We will be a **super-regional** leader **in our markets**, consistently perform for our **shareholders** & invest in our **colleagues** and the **community.**

BEFORE	AFTER
1. Balance Sheet	**1. Loan-deposit ratio < 90%**
2. Revenue Growth	**2. Risk-adjusted return, multi-product relationships**
3. National Businesses	**3. Regional footprint**
4. Growth by acquisition	**4. Organic growth led**
5. Low risk appetite	**5. Better than average risk profile**
6. Great customer service	**6. Superior customer service**
7. Diverse business segments	**7. Core banking franchise**

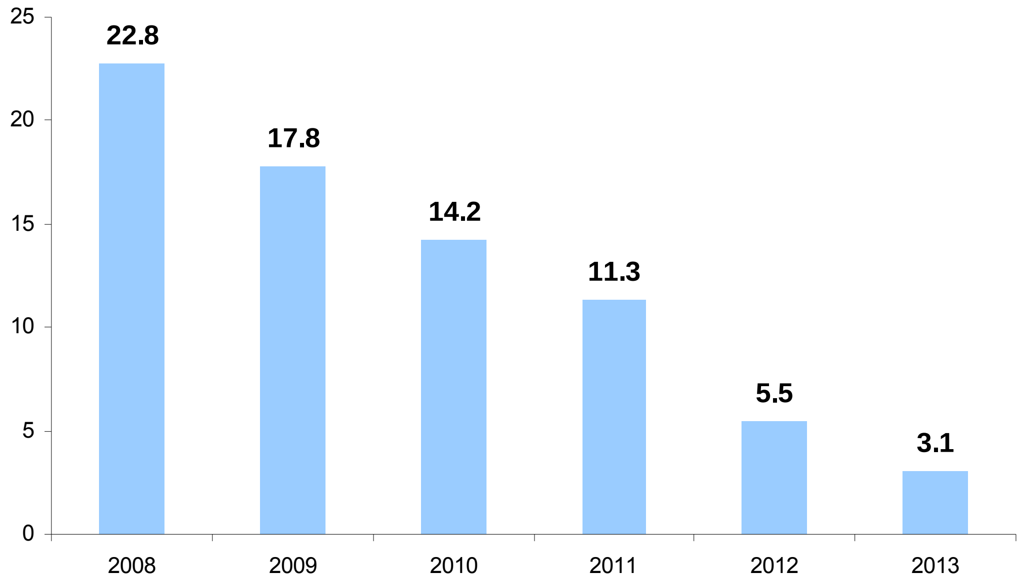
Non-Core Loan Portfolio

Citizens Non-Core Division represents $17.8 billion of consumer and commercial loans and is 18% of CFG total loan outstandings. Loan outstandings have declined $2.6 billion from June to January '10.

Non-Core End of Period Assets - $B
as of 2009

Kroger Personal Finance	0.6
Indirect Auto	0.6
Student Lending	1.4
RV-Marine	3.0
Mortgage Speciality & Corresp.	1.8
Credit Cards	0.4
SBO	5.6
CRE	3.2
Dealer Finance	0.6
Commercial Markets	0.8
Non Core US Banking	**17.8**

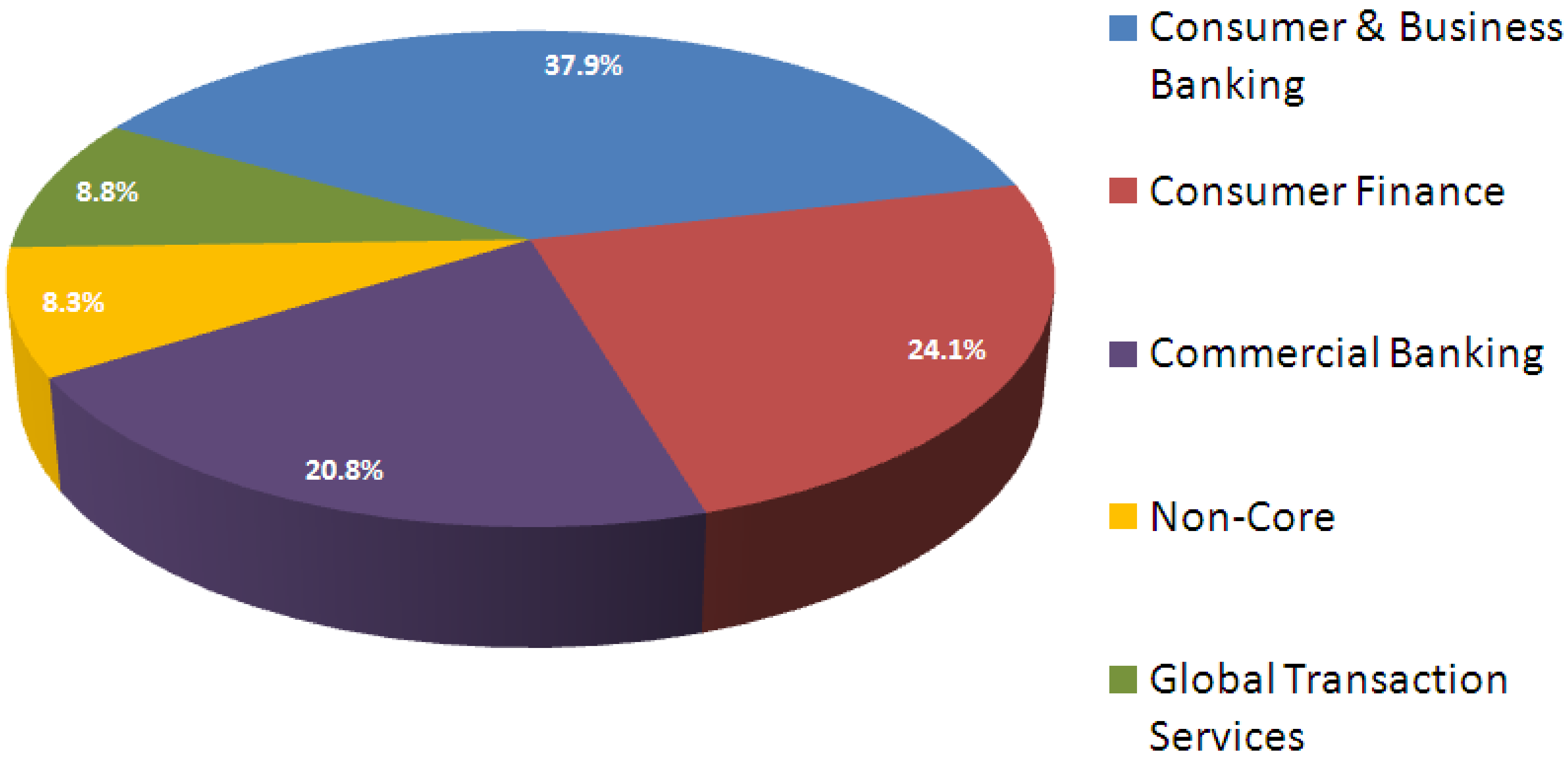
Non-Core End of Period Asset Projections - $B



- Consumer represents $13.2 billion; 21% of total Consumer Loans
- Commercial represents $4.6 billion; 13% of total Commercial Loans

IFRS

2009 Revenue Distribution



Total Revenue: $5.36 billion

Strategy

In Consumer & Business Banking, we will continue to build market share through a commitment to our customers and our colleagues. Investments in helpful products, competitive pricing and channel delivery coupled with dedicated marketing and effective sales management will increase customer loyalty, drive growth and increase overall retention.

Balance Sheet Drivers ($ in MMs):	2009	2008	Grwth
Loans	$1,976	$1,917	3%
Deposits	$69,604	$67,992	2%
Consumer Checking	$12,970	$11,962	8%
Business Checking	$5,622	$5,015	12%

Key Metrics:	2009	2008	Grwth/ Chng
Consumer Checking Units	3,551,838	3,493,496	2%
Business Checking Units	526,669	512,913	3%
Multi Service Households	1,937,659	1,852,554	5%
Active On Line Bill Pay (% of checking households)	13%	11%	2%
Active On Line Banking (% of checking households)	38%	35%	3%
Steady Save (% of retail households)	6%	4%	2%

Balance sheet drivers are for the Core business

Accomplishments

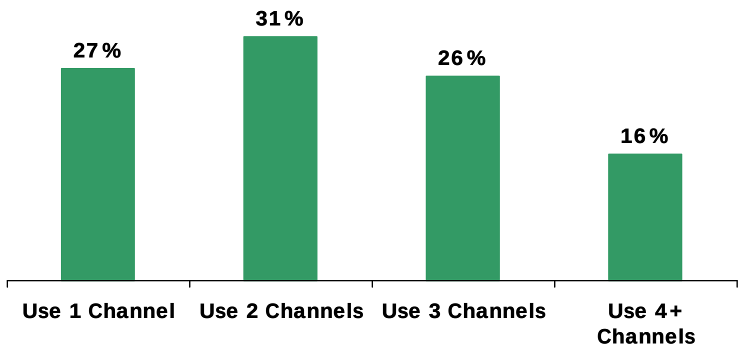
- Grew households YOY while deepening existing relationships
- Rationalized branch franchise to optimize distribution:
  - Consolidated 67 underperforming branches
  - Divested Adirondack region branches in upstate New York (18 branches)
  - Divested Indiana branches (65 branches)

Key Initiatives

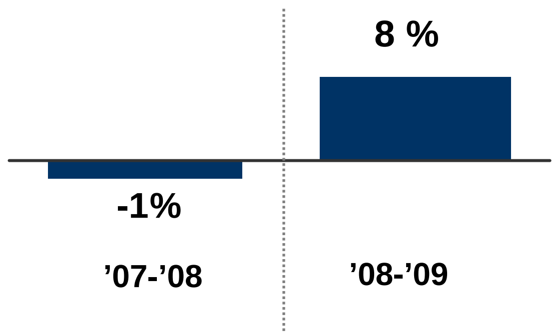
- Increase outreach to drive new-to-bank and cross-sell
- Improve overall customer channel delivery to provide enhanced convenience
- Streamline and automate processes to drive sales effectiveness
- Gain, grow and acquire Mass Affluent households
- Capture the Business Banking growth opportunity

Our Strategy Is Beginning To Take Root

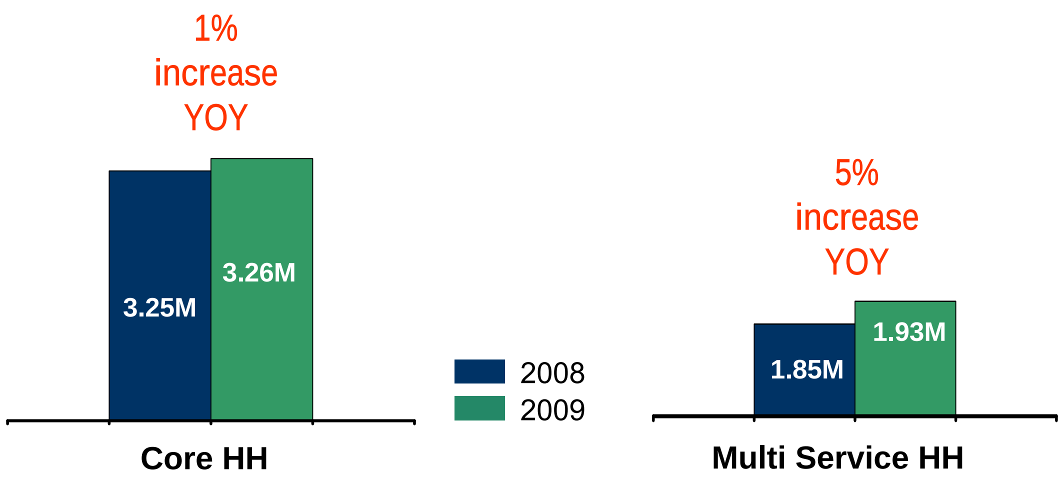
How many channels do you use with Citizens Bank/Charter One?



Consumer Checking Balances

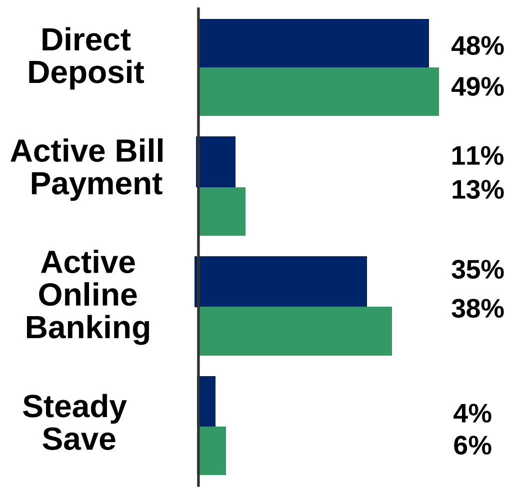


Deepening Household Relationships



December 2009 vs. December 2008

Increasing Cross-Sell



December 2009 vs. December 2008

SOURCE: CFG Marketing

Strategy

As a complement to the deposit business, Citizens will continue its industry leading position in consumer finance offering five key products to its customer base (Residential Mortgages, Home Equity (second) mortgages, Auto Loans, Student Loans, and Credit Cards)

Balance Sheet Drivers ($ in MMs)	2009	2008	Grwth
Loans	$46,167	$50,954	(9%)
Deposits	$410	$306	34%

Key Metrics:	2009	2008	Grwth/ Chng
ROE	16.17%	10.49%	6%
NIM	2.19%	1.91%	0.28%
Charge-offs % of Assets	0.77%	0.73%	0.04%
Originations	$15,172	$16,690	(9%)

Accomplishments

- Restructure/terminate non-strategic businesses:
  - Alt-A and broker mortgage originations – terminated
  - Indirect Auto – exited 18 non-footprint states
  - RV / Marine – terminated originations
  - Credit card – terminated direct mail originations
  - Education Finance – terminated direct to consumer and Sallie Mae brokered originations
- Top 25 mortgage lender in the US (up from #50 in 2008)
- Top 5 auto lender among banks to prime customers
- Investment in Problem Debt management produced charge-off levels in line with 2008

Key Initiatives

- Hiring 475 Mortgage Loan officers over the next 5 years
- Launched Private Student Loan initiative
- Continue conservative lending standards

Balance sheet drivers are for the Core business

Strategy

Continue to drive core bank relationship attributes and lead relationships with companies in footprint with sales of $5 million to $2 billion, leveraging a local delivery model; out-of-footprint lending activities are limited unless supporting strategic in-footprint relationships and / or RBS customers.

Balance Sheet Drivers ($ in MMs):	2009	2008	Grwth
Loans	$30,435	$30,293	0%
Deposits	$25,732	$22,741	13%
Customer Repos	$3,421	$6,185	(45%)
Total Customer Funds	$29,153	$28,926	1%

Key Metrics:	2009	2008	Chng
Portfolio Loan Spread %	1.92%	1.57%	0.35%
Market Share %			
$5MM - $25MM Segment	12%	9%	3%
$25MM - $500MM Segment	15%	11%	4%

Balance sheet drivers are for the Core business

2009 Accomplishments

- Enhanced Leadership Structure
- Increased Primary Bank & Market Share Growth
- Improved Business Line Efficiency; Organized Non-Core division
- Advanced Sales Effectiveness

Key Initiatives

- Organizational Alignment & Execution
- Enhance Primary Bank & Market Share Growth
- Refine Credit Portfolio Management
- Advance Colleague Communication & Engagement

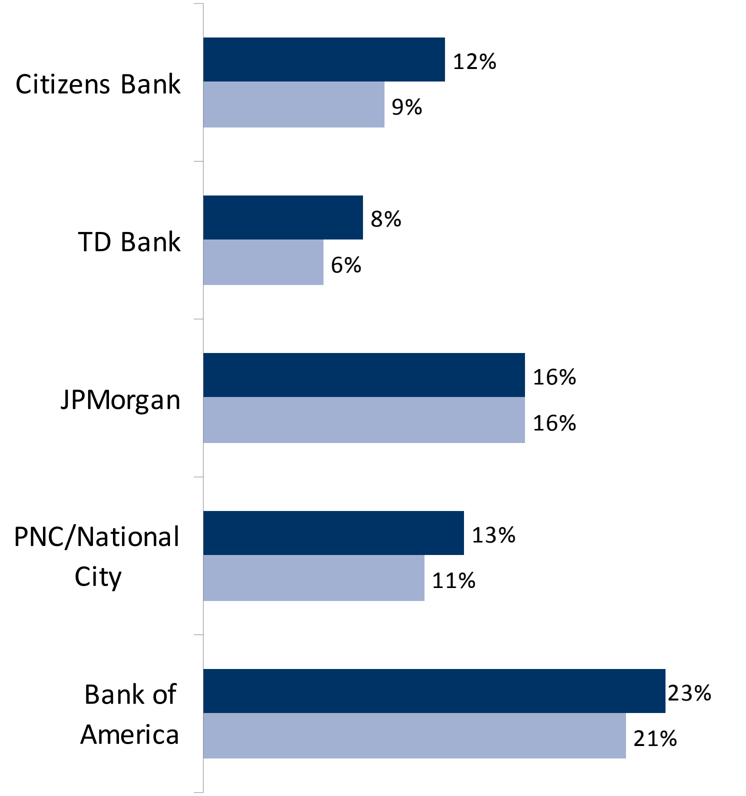
Commercial Market Share in Citizens' Footprint

Question: Which bank(s) or non-bank(s) does your company currently use for any product?

2009 2008

Companies $5-$25 MM

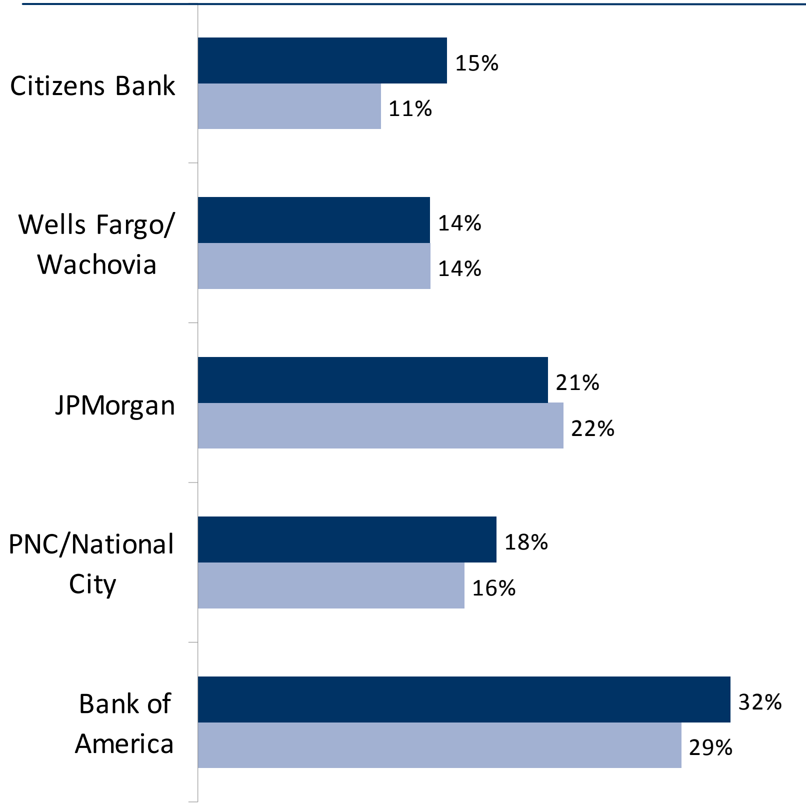
N=2,934



Market Share Growth
33%
33%
0%
18%
10%

Companies $25-$500 MM

N=1,292



Market Share Growth
36%
0%
-5%
13%
10%

Source: *2009 Greenwich Associates Market Tracking Program*

Strategy

GTS is a client-centric product unit that aims at continuing to improve fee based solutions for Citizens Commercial and Business Banking clients. The strategy will focus on a front to back approach to investing in solutions and delivering to our clients in a seamless manner.

Fee Income Drivers:	2009	2008	Grwth
Customer Funds	$16,700	$14,784	13%
Cash Mgt. Price x Vol.	$198	$196	1%
Merchant transactions	$95,500	$85,900	11%
Commercial Card spend	$641	$567	13%

Key Metrics:	2009	2008	Grwth
Cash Mgt. Customers	31,094	34,109	-9%
Merchant locations	157,756	154,216	2%
Com. Card companies	12,352	10,497	18%

2009 Accomplishments

- Aligned GTS products along Citizens client objectives
- Restructured to create a seamless client delivery model.
- Created investment road map with clear linkage to client needs in Citizens footprint
- Reduced operating expenses by 16%

Key Initiatives

- Embed GTS into Commercial Banking sales process
- Invest in US domestic cash management platform
- Improve product packaging and marketing
- Grow Commercial Cards with Citizens' customers
- Leverage RBS network to deliver global solutions
- Divest WorldPay's US business, and partner with buyer to serve Citizens' customers

Risks

- **Libor rates continue to be depressed** through 2011 resulting in continued low deposit spreads
- **Worse than expected economic environment** provide for higher charge-offs (e.g., unemployment at 11+%, home prices continue to drop and charge offs increase)
- **NSF/OD[1] regulation is more damaging than expected** putting more of our $0.5b in overdraft fees at risk

Upside

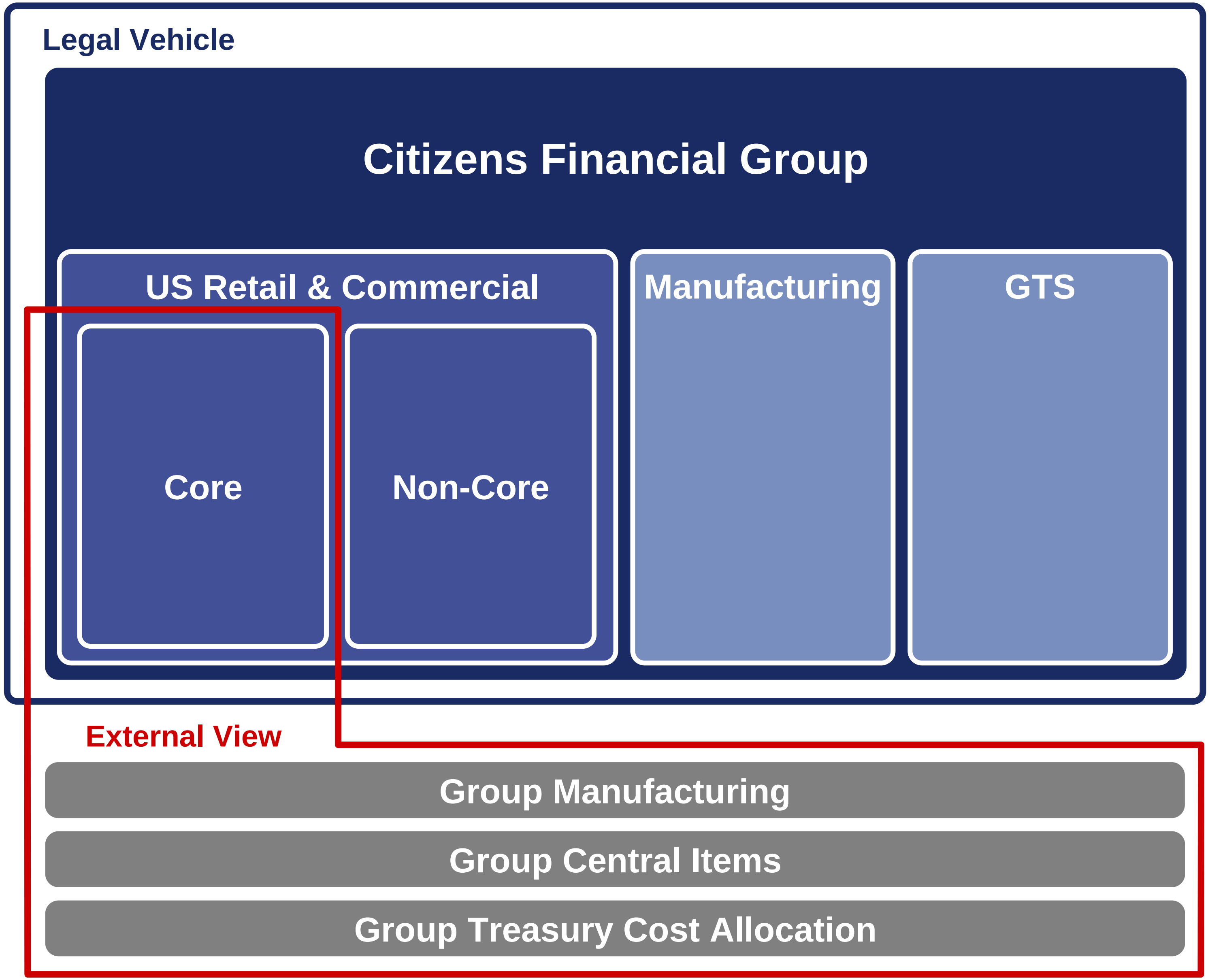
- **NIM comes back faster** than plan
- **Increased sales productivity gains** from investments in technology and infrastructure

[1]NSF - Non sufficient funds, OD - Overdrafts

John Fawcett

Chief Financial Officer
Citizens Financial Group, Inc. and RBS Americas

Legal vehicle vs Group external management reporting



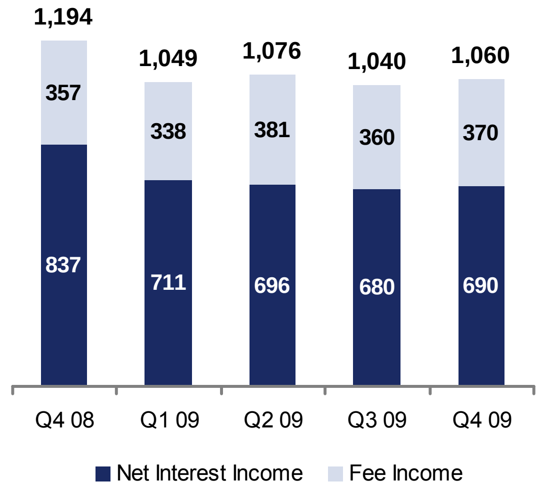
2009 Income Statement

IFRS - $MM

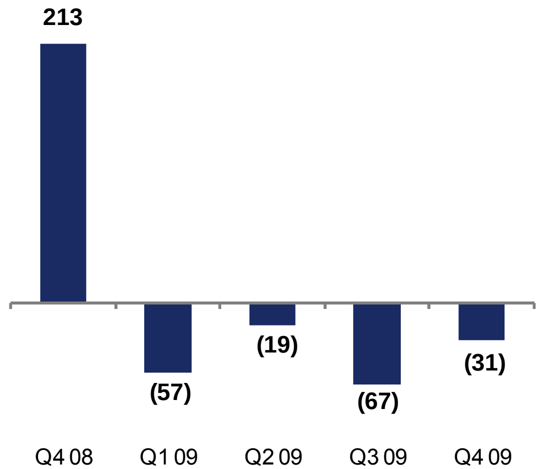
Core US Retail & Commercial

	2009	2008	B/(W) vs. 2008 $	B/(W) vs. 2008 %
Net Interest Income	2,777	3,200	(423)	(13%)
Non Interest Income	1,487	1,593	(106)	(7%)
Total Revenue	**4,264**	**4,793**	**(529)**	**(11%)**
Total Direct Expense	(2,143)	(1,848)	(295)	(16%)
Total Indirect Expense	(1,196)	(1,157)	(39)	(3%)
Total Expense	**(3,339)**	**(3,005)**	**(334)**	**(11%)**
Operating Profit before Impairment Losses	925	1,788	(863)	(48%)
Impairment Losses	**(1,099)**	**(811)**	**(288)**	**(36%)**
Pretax Operating Income	**$ (174)**	**$ 977**	**$ (1,151)**	**(118%)**
			Inc/(Dec) vs. 2008 $	**Inc/(Dec) vs. 2008 %**
Spot Balance Sheet ($B):				
Loans and Advances to Customers (gross)	79.4	90.1	(10.7)	(12%)
Customer Deposits (excluding repos)	97.4	93.4	4.0	4%
Headcount:				
FTE (December)	15,500	16,200	(700)	(4%)

Total Revenue Excl. Gains



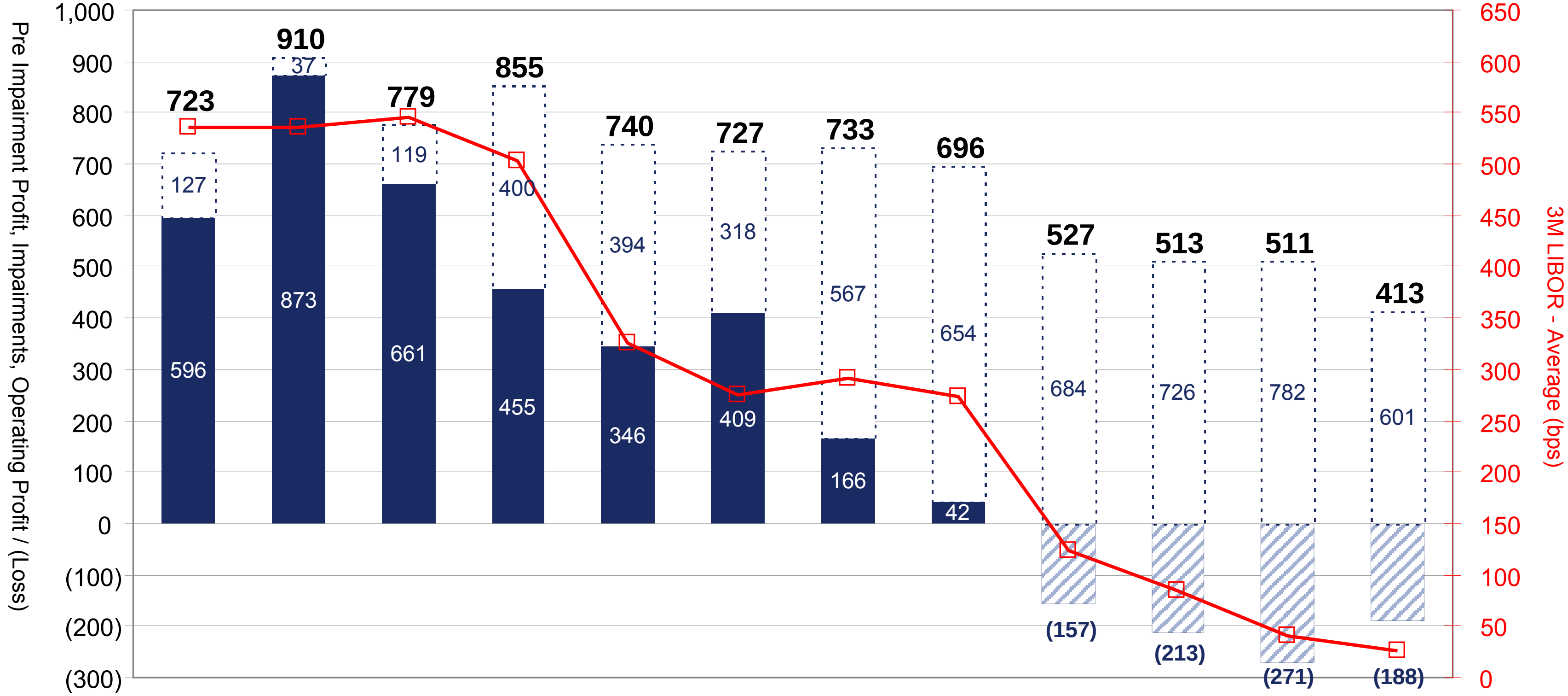
Pretax Operating Earnings



2009 performance has been significantly impacted by rates and credit

IFRS - $MM

Citizens Financial Group



	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Op Profit Pre Impairment	723	910	779	855	740	727	733	696	527	513*	511	413
Impairment	127	37	119	400	394	318	567	654	684	726	782	601
3M LIBOR - Avg. (bps)	536	536	545	503	326	275	291	274	124	85	41	27

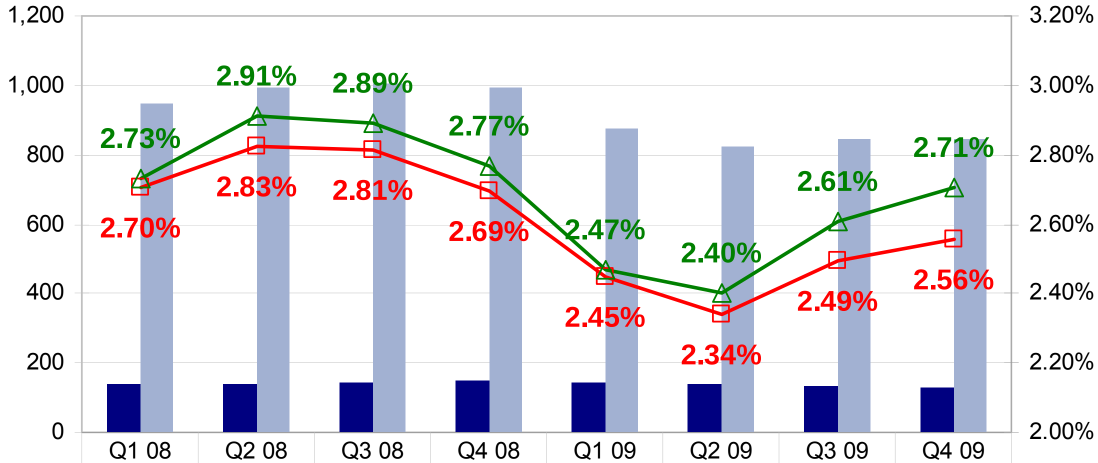
* excludes one-time impact of special FDIC assessment of $72MM

RBS The Royal Bank of Scotland Group | Citizens Financial Group, Inc.™

Net Interest Margin Trends

IFRS

Citizens Financial Group & Core US Retail & Commercial



	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Avg. Earning Assets ($B)	141	141	142	147	145	141	135	131
Net Interest Income ($MM)	946	994	1,007	995	875	823	845	845
CFG NIM %	2.70%	2.83%	2.81%	2.69%	2.45%	2.34%	2.49%	2.56%
Core US R&C NIM %	2.73%	2.91%	2.89%	2.77%	2.47%	2.40%	2.61%	2.71%

Competitor NIM Ranking

GAAP

	Q4 2009
PNC Financial	4.09%
U.S. Bancorp	3.85%
BB&T	3.82%
M&T Bank	3.74%
Fifth Third	3.57%
SunTrust	3.29%
KeyCorp	3.05%
Comerica	2.95%
Regions Financial	2.74%
CFG	**2.59%**

Source: SNL Financial

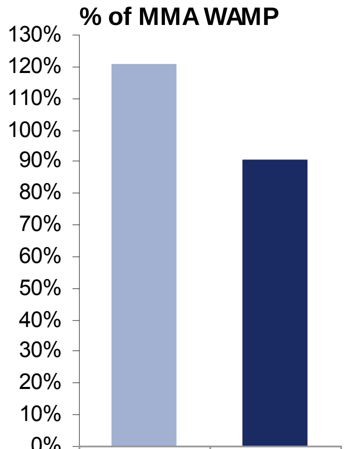
Core US Retail & Commercial NIM excludes Group allocated Treasury cost

The Royal Bank of Scotland Group — RBS Citizens Financial Group, Inc.™

Deposit Pricing

as of Dec 31, 2009

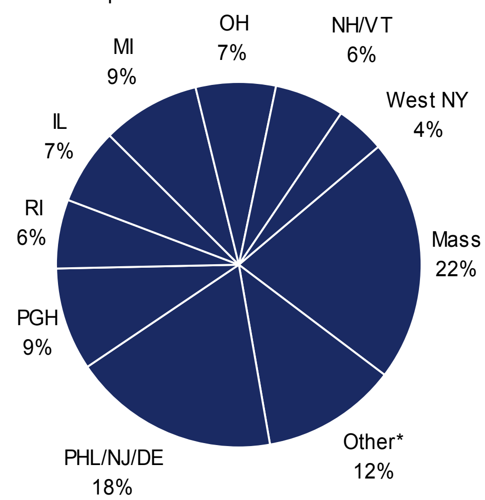
% of MMA WAMP



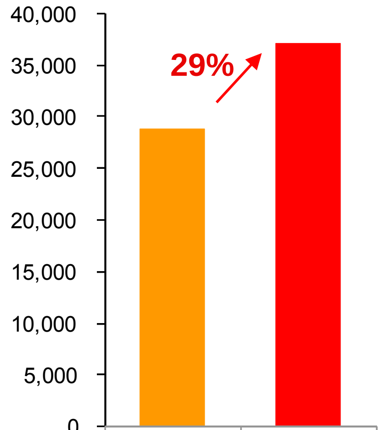
	2008	2009
WTD AVG	121%	91%

MM Deposits by Market

Spot Balance as of 12/31/2009

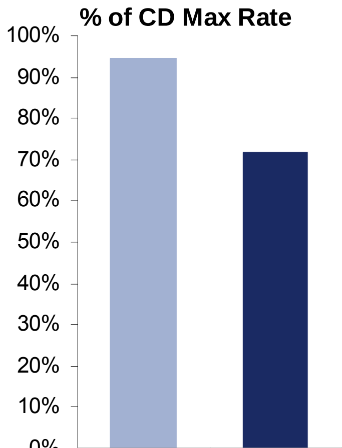


DDA/CWI



	2008	2009
DDA/CWI	28,930	37,194

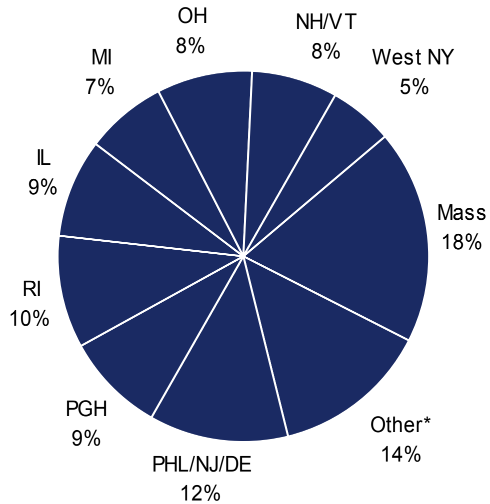
% of CD Max Rate



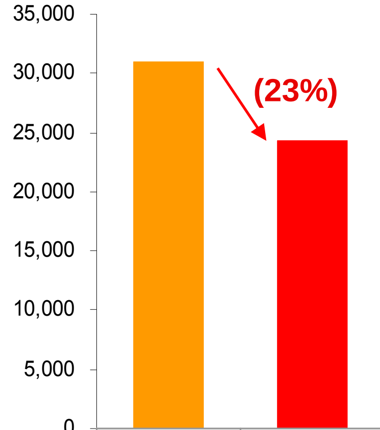
	2008	2009
WTD AVG	95%	72%

CD Deposits by Market

Spot Balance as of 12/31/2009



Term & Time



	2008	2009
Term & Time	31,007	24,391

* Other includes Central NY, Hudson Valley NY, Capt Region NY, Connecticut, & Other PA

MMA – Money Market Accounts, WAMP – Weighted Average Market Price,
DDA – Demand Deposit Accounts, CWI – Checking with Interest

Non Interest Income

IFRS - $MM

Core US Retail & Commercial

	2009	2008	B/(W) vs. 2008 $	B/(W) vs. 2008 %
Deposit Service Charges	$ 517	$ 529	$ (12)	(2%)
ATM & MasterMoney	241	239	2	1%
Mortgage Banking Fees	171	80	91	113%
Investment Services / Trust Fees	106	113	(7)	(6%)
Commercial Banking Fees	131	178	(47)	(26%)
Merchant Services / Card Fees	45	63	(18)	(29%)
Other Income	238	242	(4)	(2%)
Fee Income	**1,449**	**1,444**	**5**	**0%**
Gains	**38**	**150**	**(112)**	**(75%)**
Total Non Interest Income	**$ 1,487**	**$ 1,593**	**$ (107)**	**(7%)**

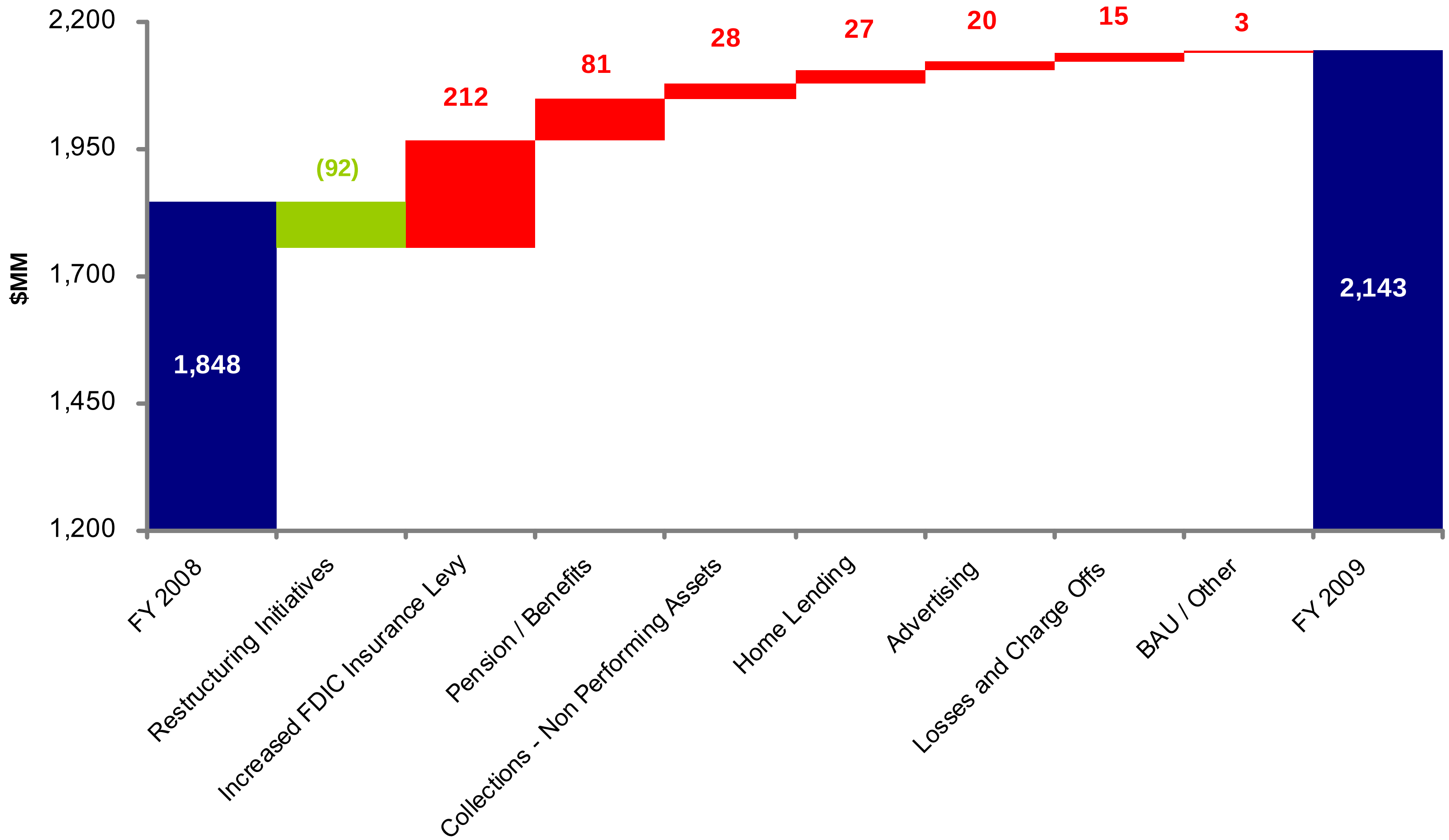
	2009 Actual	2008 Actual	vs 2008 Inc / (Dec) $	vs 2008 Inc / (Dec) %
Apps $ in MM	9,093	4,922	4,171	85%
Apps Units	46,313	23,806	22,507	95%
Average App $	196,338	206,738	(10,400)	(5%)
Closings $ in MM	6,022	2,327	3,696	159%
Closings Units	30,978	11,866	19,112	161%
Average Closing $	194,410	196,077	(1,667)	(1%)

Direct Expense Walk

IFRS - $MM

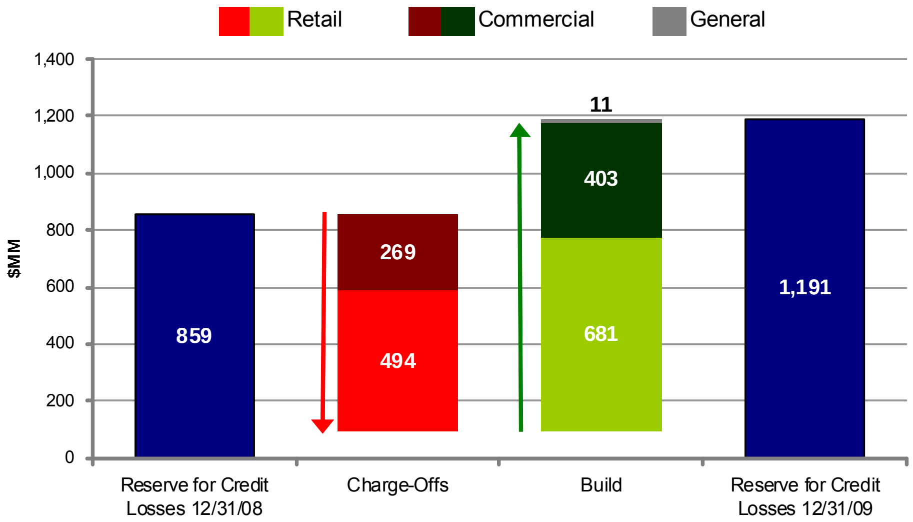
Core US Retail & Commercial

- Direct Expenses remain under control



Credit Update

Core US Retail & Commercial

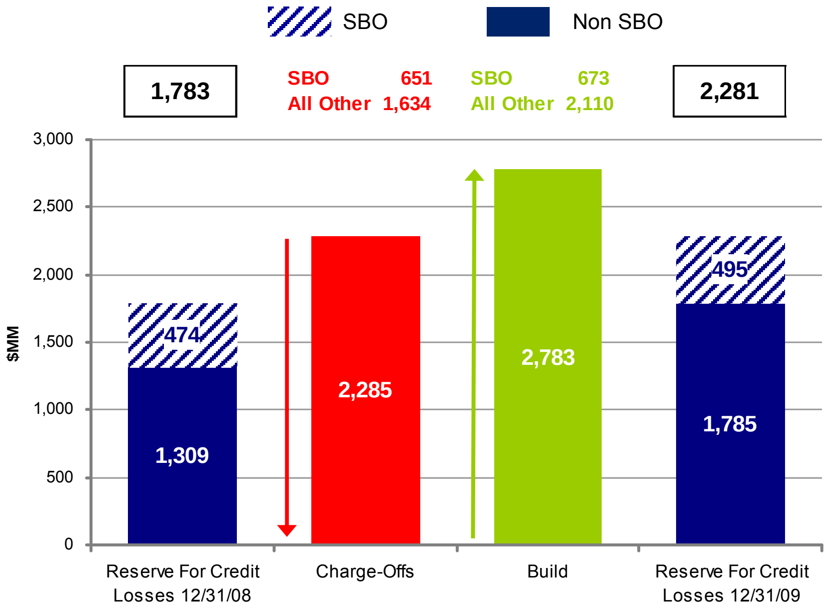


*$4MM difference to impairment costs due to IFRS adjustments

$'000	Dec 2009 YTD $	Dec 2009 YTD bps[1]	Dec 2008 YTD $	Dec 2008 YTD bps[1]
Commercial Real Estate	39,366	0.54%	54,091	0.82%
All Other Commercial	230,069	1.00%	73,198	0.31%
Total Commercial Loans	269,435	0.89%	127,289	0.42%
Business Banking	72,011	3.72%	50,719	3.62%
Automobile	91,039	1.00%	99,200	0.95%
Home Equity	149,878	0.57%	67,902	0.25%
Student Loans	(5)	0.00%	717	0.04%
Credit Cards	45,887	3.62%	51,012	4.07%
Residential Mortgages	70,590	0.62%	45,803	0.30%
Overdrafts	35,658	NA	37,464	NA
Other Consumer	28,421	4.90%	23,600	3.92%
Total Consumer	493,480	0.94%	376,416	0.65%
Total Charge-offs	**762,915**	0.92%	**503,705**	0.57%

[1]Net charge-offs to average loans

	YTD Dec 09	YTD Dec 08	% or BPS
Non-performing Loans	1,010,074	459,226	120.0%
Non-performing Assets	1,064,960	502,971	111.7%
Net Charge-offs	762,915	503,705	51.5%
Reserve for Loan Losses	1,119,246	806,496	38.8%
Reserve for Credit Losses	1,190,621	858,563	38.7%
Non-performing Loans to Total Assets	0.83%	0.36%	47
Non-performing Assets to Total Assets	0.88%	0.39%	48
Net Charge-offs to Avg Loans	0.91%	0.56%	34
Non-performing Loans to Total EOP Loans	1.29%	0.51%	77
Reserves for Loan Losses to EOP Loans	1.42%	0.90%	52



* $10MM difference to impairment costs due to IFRS adjustments

$MM	2009 $	2009 bps [(1)]	2008 $	2008 bps [(1)]
Commercial Real Estate	311	2.86%	140	1.36%
All Other Commercial	347	1.40%	90	0.35%
Commercial	**658**	**1.84%**	**230**	**0.63%**
Business Banking	72	3.72%	51	3.62%
SBO	651	10.30%	368	4.75%
Automobile	121	1.22%	130	1.13%
Home Equity	163	0.61%	69	0.25%
Student Loans	100	2.63%	36	1.10%
Credit Cards	262	11.02%	128	5.40%
Marine / RV	83	2.52%	53	1.38%
Other Cons.	28	4.82%	24	3.88%
Res Mtg	112	0.87%	51	0.29%
Overdrafts	36	N/A	37	N/A
Retail	**1,627**	**2.40%**	**945**	**1.25%**
Total NCOs	**2,285**	**2.21%**	**1,175**	**1.05%**

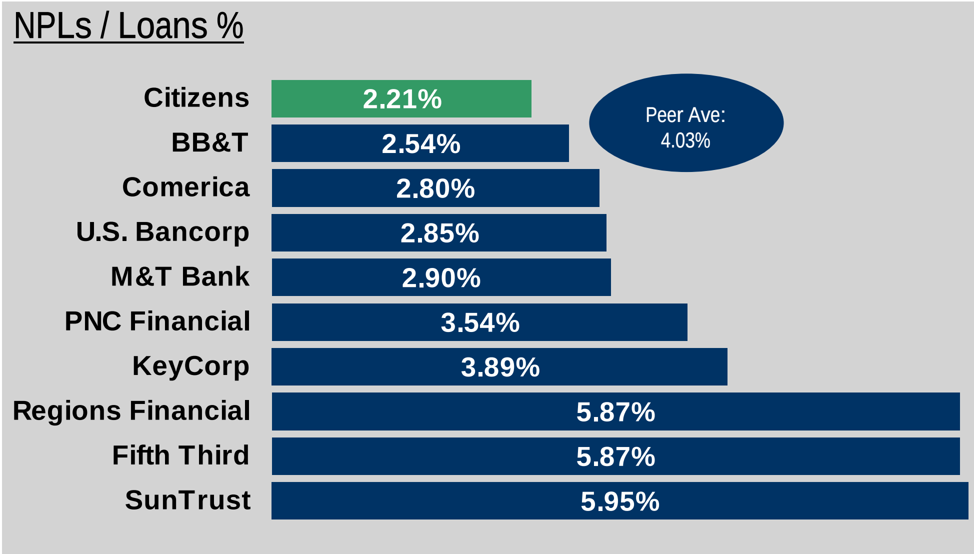
(1) Net charge-offs to average loans

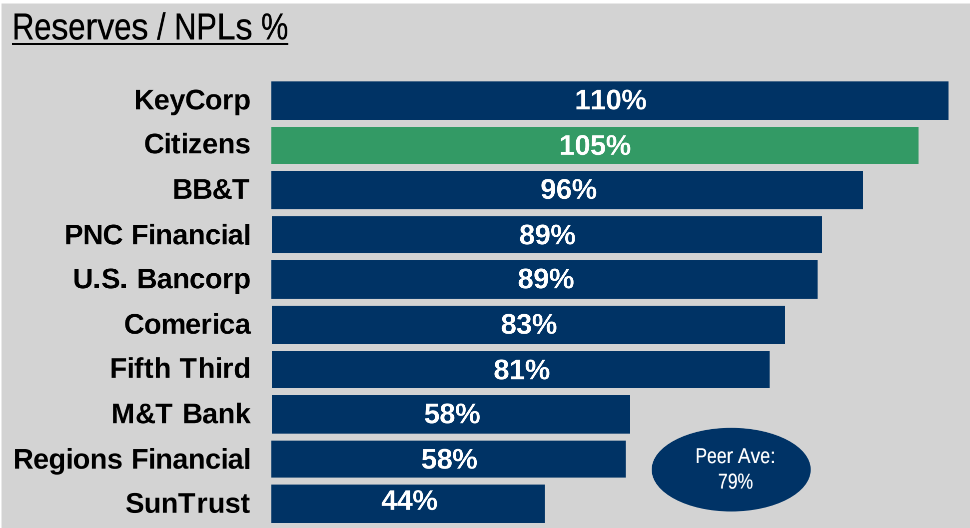
	2009	2008	% or BPS	Peer Median Change
Non-performing Loans	2,195,348	1,124,842	95.2%	99.2%
Non-performing Assets	2,271,608	1,179,422	92.6%	95.9%
Net Charge-offs	2,285,363	1,175,256	94.5%	48.3%
Reserve for Loan Losses	2,209,388	1,730,999	27.6%	N/A
Reserve for Credit Losses	2,280,764	1,783,065	27.9%	53.4%
Non-performing Loans to Total Assets	1.54%	0.73%	81	104
Non-performing Assets to Total Assets	1.59%	0.76%	83	128
Net Charge-offs to Avg Loans	2.18%	1.04%	114	105
NPL to Total EOP Loans	2.27%	1.00%	127	165
Reserves for Loan Losses to EOP Loan	2.29%	1.54%	75	77

Strong Asset Quality and Reserves vs. Peers

US GAAP

Citizens Financial Group

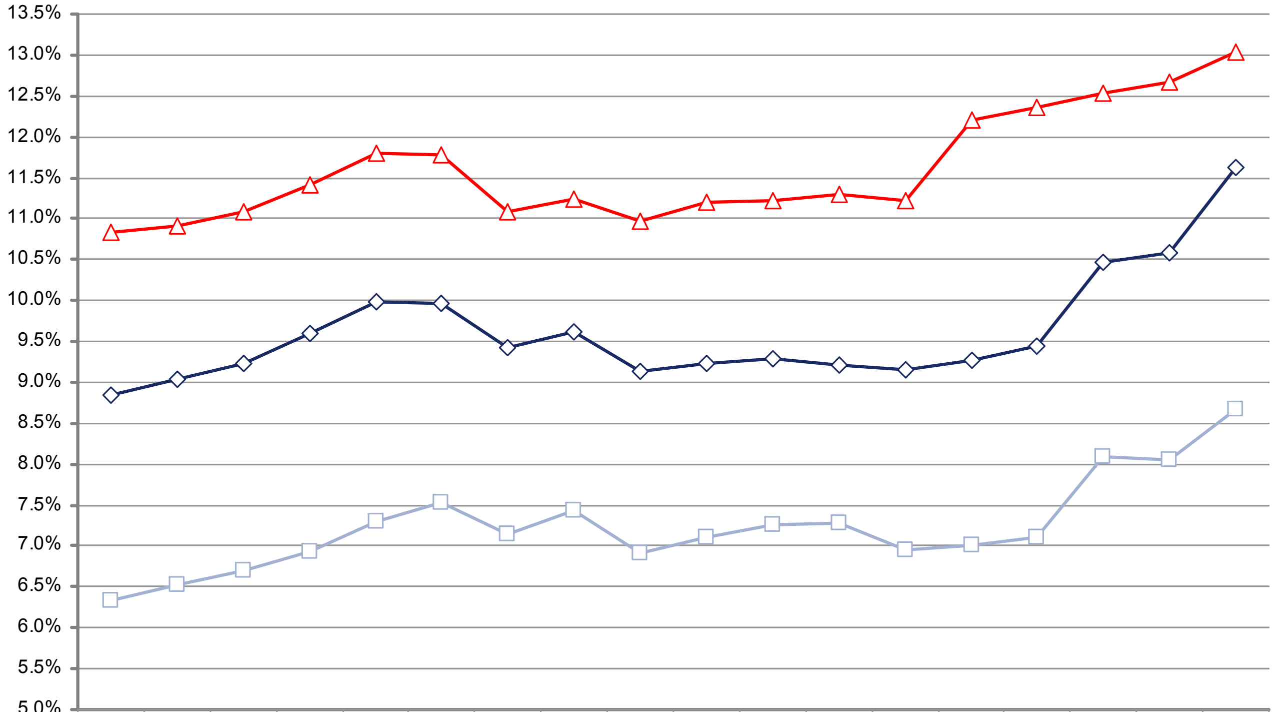




Capital Ratios Trend

Citizens Financial Group

During the year, CFG significantly improved all capital ratios



	Dec 05	Mar 06	Jun 06	Sep 06	Dec 06	Mar 07	Jun 07	Sep 07	Dec 07	Mar 08	Jun 08	Sep 08	Dec 08	Mar 09	Jun 09	Aug 09	Sep 09	Dec 09
Total Leverage Ratio	6.33%	6.52%	6.70%	6.93%	7.30%	7.53%	7.15%	7.43%	6.91%	7.10%	7.26%	7.27%	6.96%	7.00%	7.10%	8.09%	8.05%	8.68%
Total Tier 1 Ratio	8.85%	9.03%	9.23%	9.59%	9.98%	9.96%	9.43%	9.62%	9.13%	9.24%	9.29%	9.22%	9.15%	9.26%	9.44%	10.46%	10.58%	11.62%
Total Capital Ratio	10.83%	10.92%	11.08%	11.42%	11.80%	11.78%	11.09%	11.24%	10.97%	11.21%	11.23%	11.30%	11.22%	12.20%	12.37%	12.53%	12.67%	13.03%

Well Capitalized Minimums	Dec 2009 Actuals	Δ bps
10.0%	13.03%	↑ 303
6.0%	11.62%	↑ 562
5.0%	8.68%	↑ 368

Tier 1 Common Ratio
11.08%

Note: CFG holding Company on a BASEL 1 basis, entire legal entity including RBS WorldPay, as well as the banks

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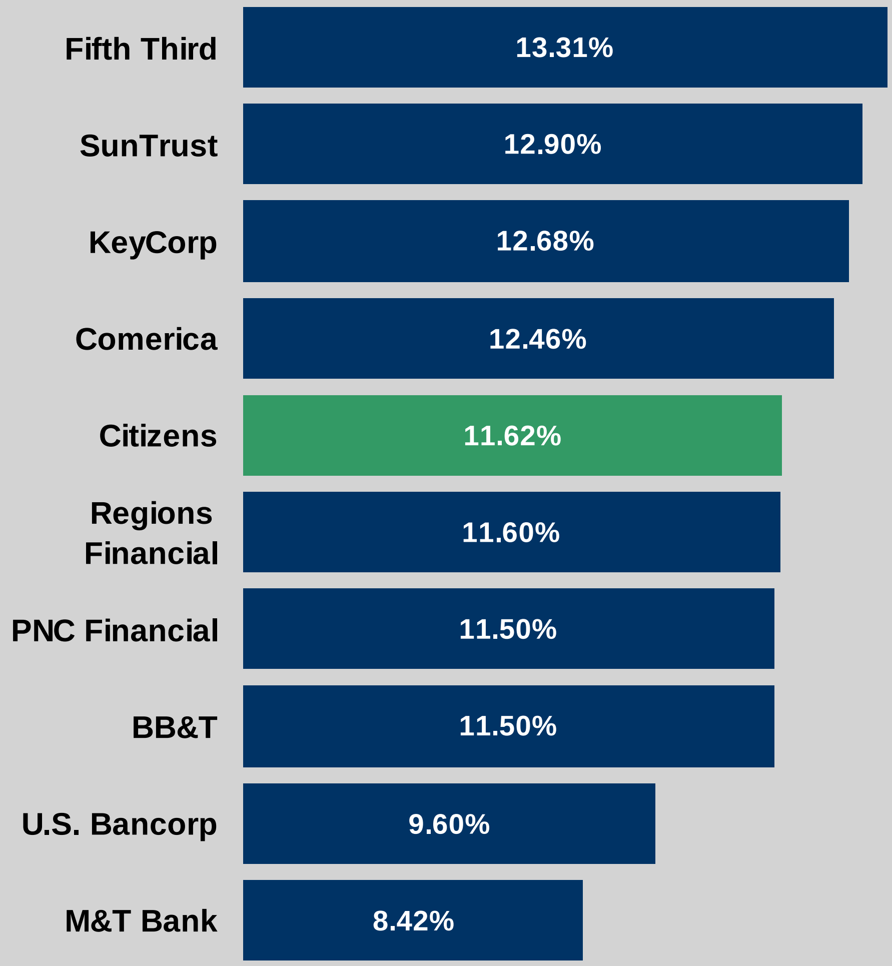
Well Capitalized vs. Peers

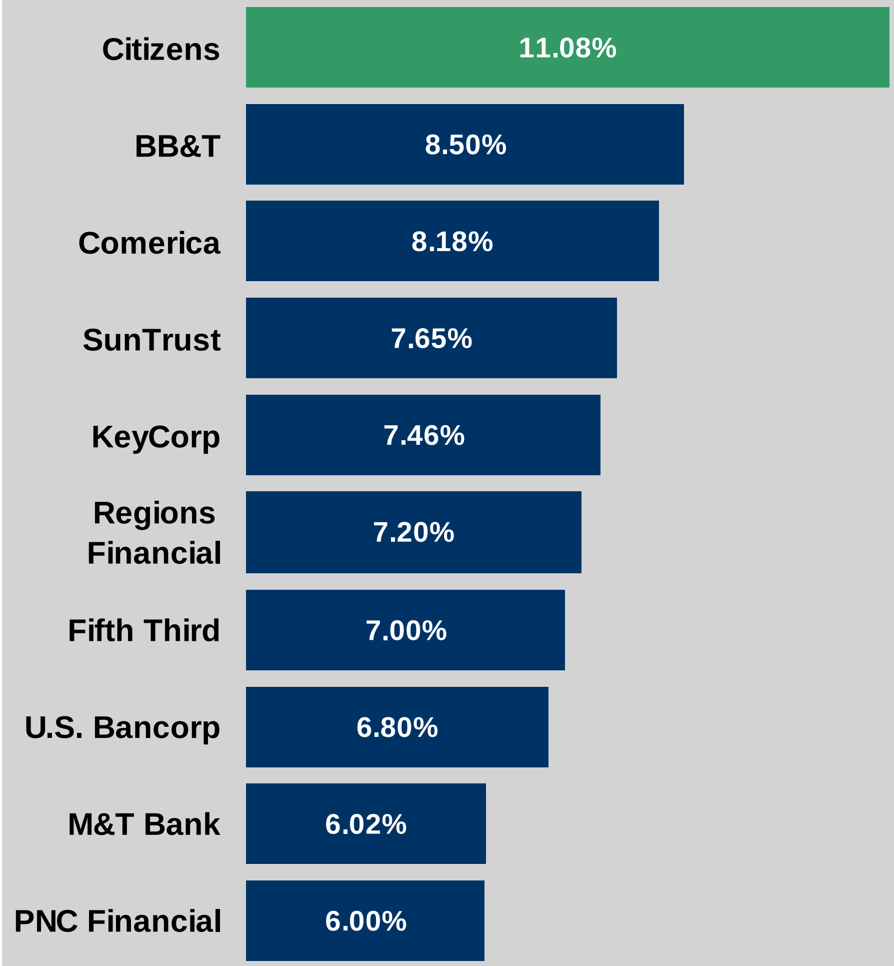
US GAAP

Citizens Financial Group

Tier 1 Equity



Tier 1 Common Equity



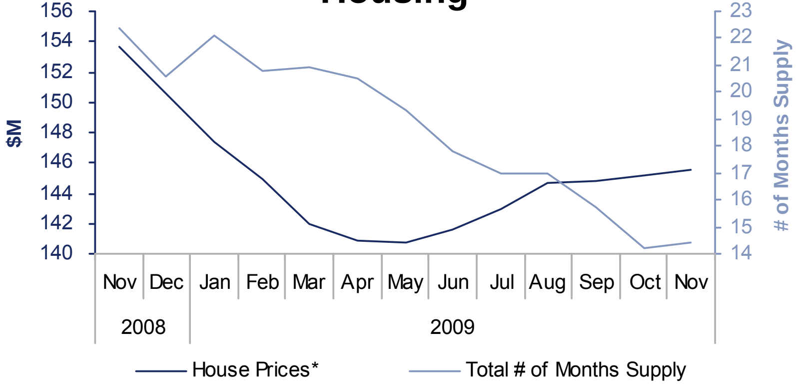
Ellen Alemany

Chairman and Chief Executive Officer
Citizens Financial Group, Inc. and RBS Americas

- Strong executive management team
- Development of an effective and promising Strategic Plan
- Confirmed support of parent company
- Initiatives demonstrating positive initial results
- Strong asset quality and capital positions
- Positioned to take advantage of anticipated rising interest rate environment

Appendix

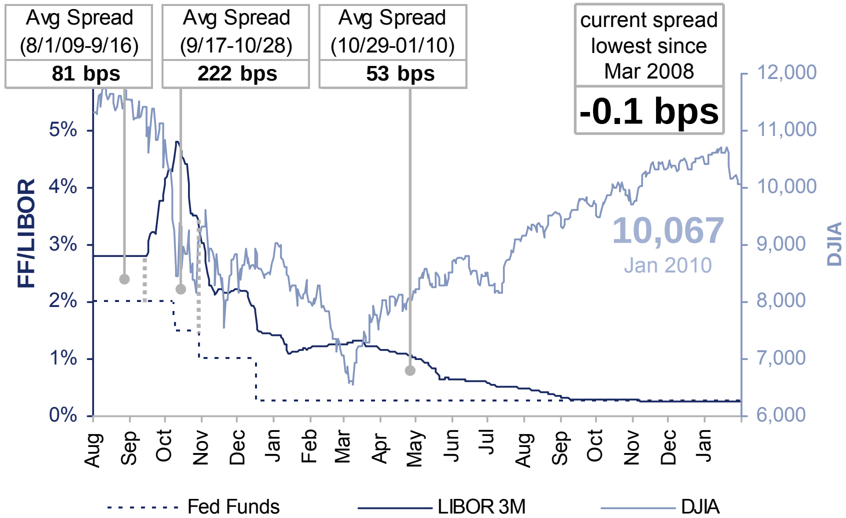
Housing



- Home prices in 20 US cities rose in Nov for the 6th consecutive month on a seasonally adjusted basis, signaling the industry that precipitated the worst recession since the 1930s is stabilizing.
- The S&P/Case-Shiller home price index increased 0.2% in Nov from the prior month, after a 0.3% rise in Oct. The index was down 5.3% from Nov '08, exceeding expectations and the smallest YoY decline in 2 years.
- As of Nov 30 there was 7.9 months supply of new homes for sale, and 6.5 months supply of existing homes on the market

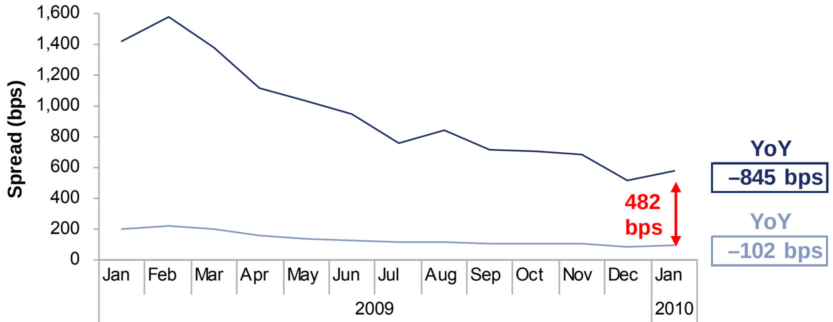
**house prices seasonally adjusted*

Fed Funds/LIBOR Spread, & DJIA



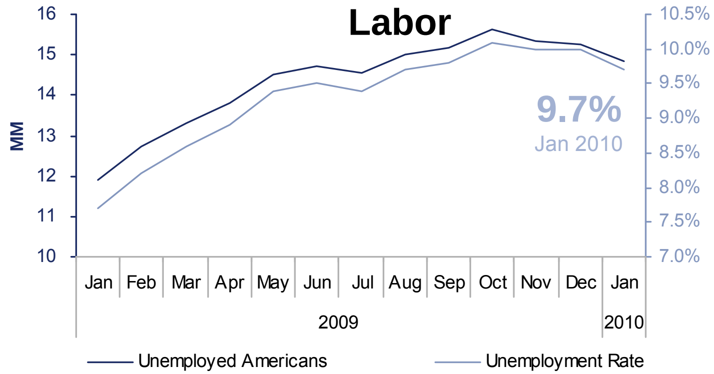
- Fed Funds currently at 0.25%

Credit



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Investment Grade	199	225	196	162	137	131	111	119	103	108	106	86	97
Hi Yield	1,423	1,575	1,380	1,118	1,037	948	756	840	714	706	680	518	579

Labor

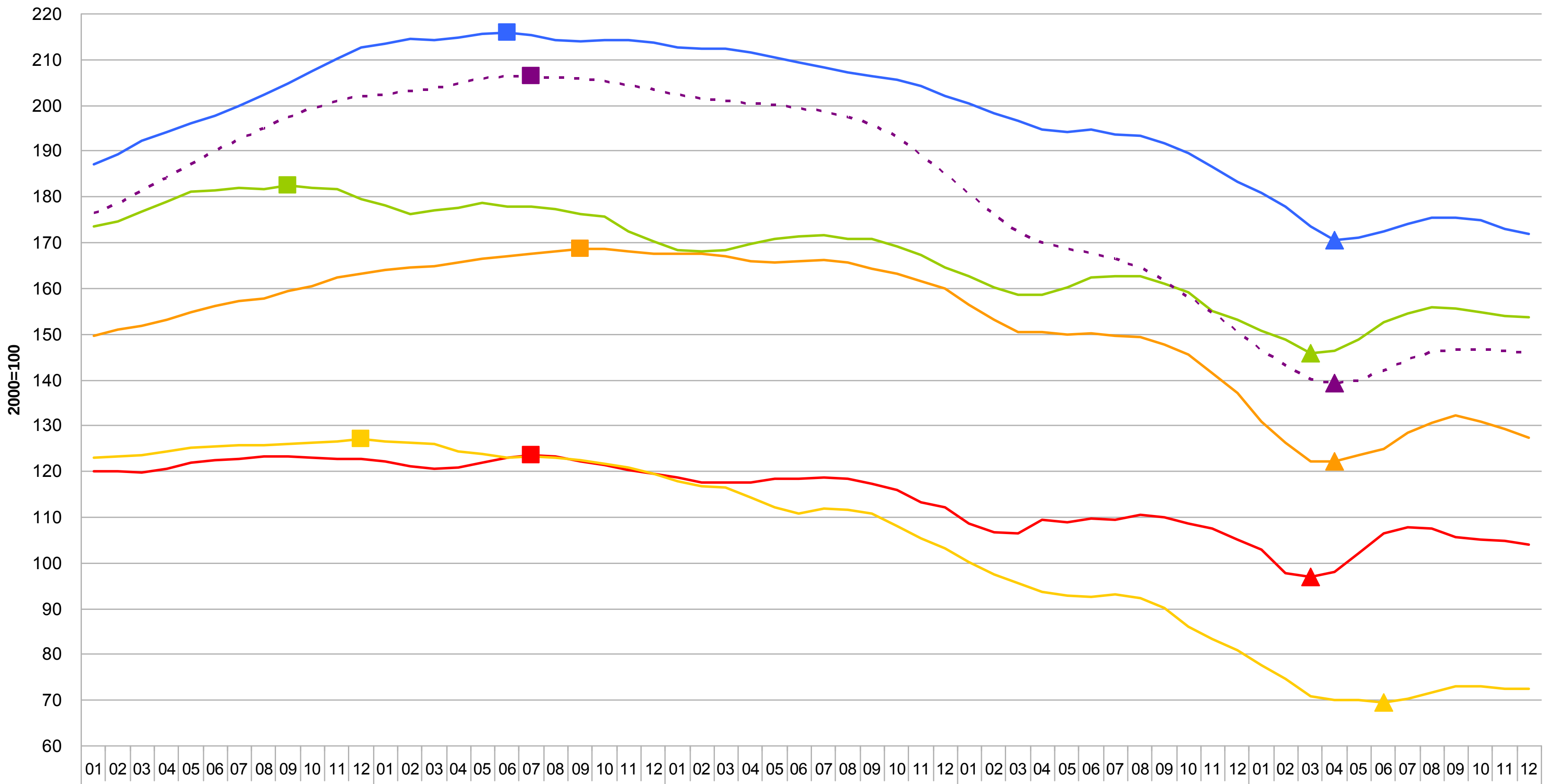


- The unemployment rate dropped to 9.7% in Jan from 10% in Dec
- The participation rate, or the share of the population in the labor force, rose to 64.7% in Jan from 64.6% last month, a 24-year low.
- The Labor Dept reported the total number of unemployed has risen by 8.4 million since the recession began in December 2007

Sources: Bloomberg, S&P/Case-Shiller, Bureau of Labor Statistics, National Association of Realtors

Our Footprint in the Case-Shiller 20 Index

December 2009



City	2005-01	02	03	04	05	06	07	08	09	10	11	12
Boston	173	175	177	179	181	181	182	182	182	182	182	179
New York	187	189	192	194	196	198	200	202	205	208	210	213
Cleveland	120	120	120	121	122	122	123	123	123	123	123	123
Chicago	150	151	152	153	155	156	157	158	159	160	162	163
Detroit	123	123	123	124	125	125	126	126	126	126	127	127
Case-Shiller 20	176	179	181	184	187	190	193	195	197	199	201	202

City	2006-01	02	03	04	05	06	07	08	09	10	11	12
Boston	178	176	177	178	179	178	178	177	176	176	173	170
New York	214	214	214	215	216	216	215	214	214	214	214	214
Cleveland	122	121	121	121	122	123	123	123	122	121	120	120
Chicago	164	165	165	166	167	167	168	168	169	169	168	168
Detroit	127	126	126	124	124	123	123	123	123	122	121	120
Case-Shiller 20	202	203	204	205	206	206	207	206	206	205	205	203

City	2007-01	02	03	04	05	06	07	08	09	10	11	12
Boston	168	168	169	170	171	171	172	171	171	169	167	165
New York	213	213	212	212	211	209	208	207	206	206	204	202
Cleveland	119	118	118	118	118	118	119	118	117	116	113	112
Chicago	168	167	167	166	166	166	166	166	164	163	162	160
Detroit	118	117	116	114	112	111	112	112	111	108	105	103
Case-Shiller 20	202	202	201	201	200	199	199	197	196	193	189	185

City	2008-01	02	03	04	05	06	07	08	09	10	11	12
Boston	163	160	159	159	160	162	163	163	161	159	155	153
New York	200	198	197	195	194	195	194	193	192	190	187	183
Cleveland	108	107	106	110	109	110	109	111	110	109	107	105
Chicago	156	153	150	150	150	150	150	149	148	145	141	137
Detroit	100	98	96	94	93	93	93	92	90	86	83	81
Case-Shiller 20	181	176	172	170	169	168	166	165	162	158	155	151

City	2009-01	02	03	04	05	06	07	08	09	10	11	12	DFP	YoY
Boston	151	149	146	146	149	153	155	156	156	155	154	154	-20%	0%
New York	181	178	174	171	171	172	174	175	175	175	173	172	-21%	-6%
Cleveland	103	98	97	98	102	106	108	107	106	105	105	104	-22%	-1%
Chicago	131	126	122	122	124	125	128	131	132	131	129	127	-27%	-7%
Detroit	78	75	71	70	70	69	70	72	73	73	73	73	-45%	-10%
Case-Shiller 20	146	143	140	139	140	142	144	146	147	147	146	146	-33%	-3%

Sep 2005 — Sep 2006

■ high in range
▲ low in range
DFP = decline from peak
CFP = current from peak

The Case-Shiller 20 Index is comprised of the following cities: Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Diego, San Francisco, Seattle, Tampa, & Washington DC
Sources: Bloomberg, S&P/Case-Shiller, National Association of Realtors. Data released on a two month lag (this release 2/23/2010)

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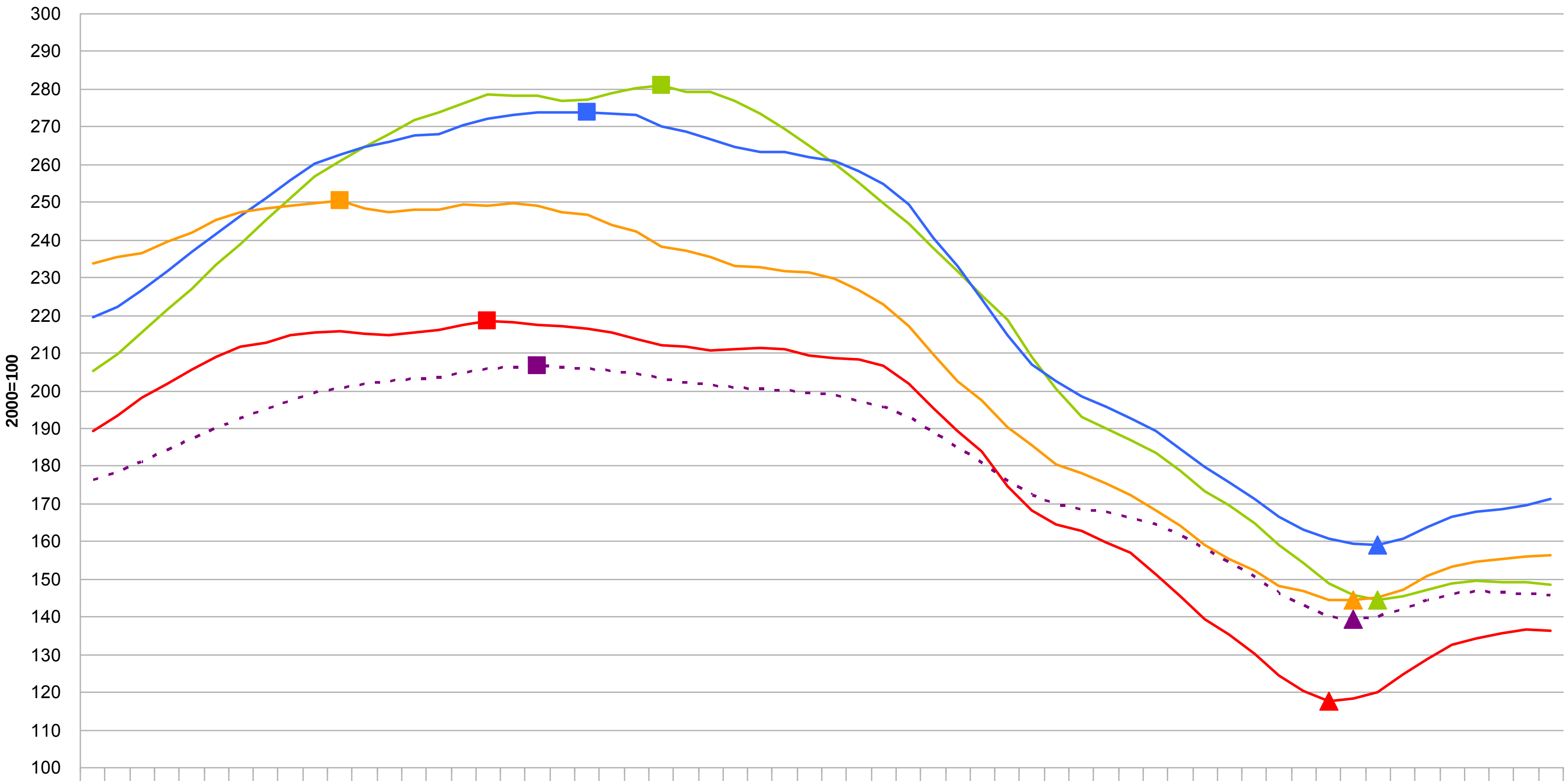
The Royal Bank of Scotland Group

Citizens Financial Group, Inc.™

Case-Shiller house prices – California and Florida vs National Average

December 2009



2005

	01	02	03	04	05	06	07	08	09	10	11	12
Miami	205	210	215	221	227	233	239	245	251	257	261	265
Los Angeles	219	222	227	232	237	242	246	251	256	260	263	265
San Francisco	189	194	198	202	206	209	212	213	215	216	216	215
San Diego	234	236	237	240	242	245	247	248	249	250	**250**	249
Case-Shiller 20	176	179	181	184	187	190	193	195	197	199	201	202

2006

	01	02	03	04	05	06	07	08	09	10	11	12
Miami	268	272	274	276	279	278	278	277	277	279	280	**281**
Los Angeles	266	268	268	270	272	273	274	274	**274**	274	273	270
San Francisco	215	216	216	218	**218**	218	218	217	216	215	214	212
San Diego	247	248	248	249	249	250	249	247	247	244	242	238
Case-Shiller 20	202	203	204	205	206	206	**207**	206	206	205	205	203

2007

	01	02	03	04	05	06	07	08	09	10	11	12
Miami	279	279	277	274	270	265	260	255	250	244	238	232
Los Angeles	269	267	265	263	263	262	261	258	255	250	240	233
San Francisco	212	211	211	211	211	209	209	208	206	202	195	189
San Diego	237	236	233	233	232	231	230	227	223	217	210	202
Case-Shiller 20	202	202	201	201	200	199	199	197	196	193	189	185

2008

	01	02	03	04	05	06	07	08	09	10	11	12
Miami	225	219	209	200	193	190	187	183	179	173	170	165
Los Angeles	224	215	207	202	199	196	193	189	185	180	176	171
San Francisco	184	175	168	165	163	160	157	151	146	139	135	130
San Diego	197	190	185	181	178	175	172	168	164	159	155	152
Case-Shiller 20	181	176	172	170	169	168	166	165	162	158	155	151

2009

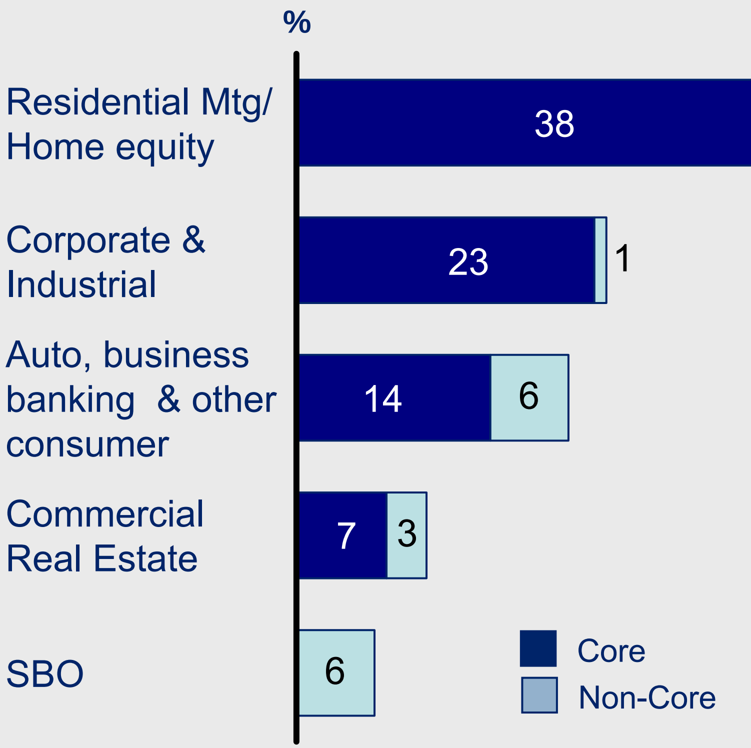
	01	02	03	04	05	06	07	08	09	10	11	12	DFP	YoY
Miami	159	154	149	146	**145**	145	147	149	150	149	149	149	-49%	0%
Los Angeles	167	163	161	159	**159**	161	164	167	168	168	170	171	-42%	-6%
San Francisco	124	120	**118**	118	120	125	129	132	134	136	137	136	-46%	-1%
San Diego	148	147	145	**144**	145	147	151	153	155	155	156	156	-42%	-10%
Case-Shiller 20	146	143	140	**139**	140	142	144	146	147	147	146	146	-33%	-3%

Nov 2005 — Dec 2006

■ high in range
▲ low in range
DFP = decline from peak
CFP = current from peak

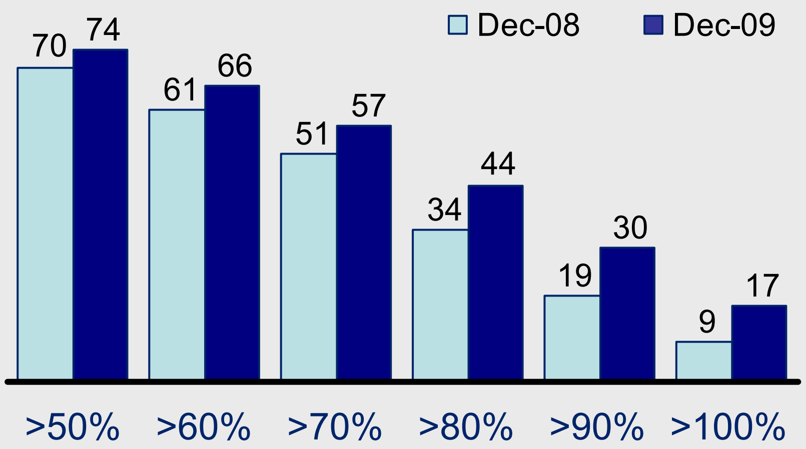
The Case-Shiller 20 Index is comprised of the following cities: Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Diego, San Francisco, Seattle, Tampa, & Washington DC
Sources: Bloomberg, S&P/Case-Shiller, National Association of Realtors. Data released on a two month lag (this release 2/23/2010)

Total Portfolio; $94.9bn; -8%[1]
Core; $77.6bn, Non-Core; $17.3bn



Home Equity & Residential Mortgage Portfolio[2]
Core $35.1bn; Non-Core $7.4bn

Cumulative LTV distribution as % of book volume:



- Average LTV 72%, 67.5% ex SBO
- Average FICO[3] 737
- Origination focused in mature & stable markets of New England & Mid Atlantic

[1] vs. December 2008. US GAAP
[2] Includes SBO
[3] Average FICO on a value basis

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US R&C – Consumer Lending Metrics

		Core			Non-Core			
		Residential Mortgage	Home Equity	Auto	Residential Mortgage	Home Equity	Auto	SBO
	Outstanding Balance	$10.0bn	$25.1bn	$8.2bn	$1.3bn	$0.5bn	$0.6bn	$5.5bn
	Percentage of Total Loans	11%	26%	9%	1%	0.5%	0.5%	6%
	Weighted Average FICO[1]	732	746	738	698	726	692	708
	Weighted Average CLTV	71%	69%		95%	107%		99%
	Fixed Rate Loans	71%	44%		100%	43%		
	Variable Rate Loans	29%	56%		0%	57%		
	First Lien	99%	48%		99%	3%		4%
	Second Lien	1%	52%		1%	97%		96%
Portfolio Vintage	2009	10%	7%	28%	0%	0%	1%	0%
	2008	5%	15%	30%	0%	0%	21%	0%
	2007	9%	16%	21%	20%	72%	46%	20%
	2006	9%	15%	12%	14%	27%	21%	40%
	2005	28%	12%	8%	26%	1%	11%	34%
	Pre 2005	39%	35%	1%	40%	0%	0%	6%
Cumulative FICO Distribution	>620	91%	95%	92%	80%	92%	86%	75%
	<620	9%	5%	8%	20%	8%	14%	25%

1 Weighted Average FICO and Weighted Average LTV's stated are the most recent available upon submission of the data. LTVs and FICOs based on value.

SBO Portfolio Balance

January 2010

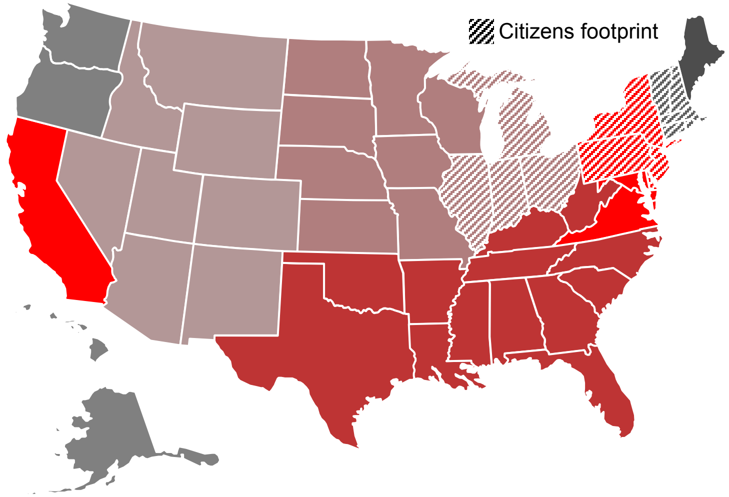
Region	% Total	Balance* ($B)	Units
Mid Atlantic	21.8%	1.17	20,503
California	20.0%	1.07	12,357
South	17.2%	0.92	23,685
Mid West	14.4%	0.77	20,683
Mountain	13.0%	0.70	14,586
Pacific	7.6%	0.41	7,134
New England	6.1%	0.33	6,082
Total*	100.0%	5.37	105,030

Servicer	% Total	Balance ($B)	Units
Countrywide	15.5%	0.84	20,650
Deep Green	1.4%	0.08	1,067
FTN	33.8%	1.82	35,434
GMAC	3.4%	0.18	5,169
Green Point	0.6%	0.03	607
Morgan Stanley	9.4%	0.51	6,395
National City	26.1%	1.40	21,898
PHH	9.8%	0.53	13,945
Total	100.0%	5.39	105,165

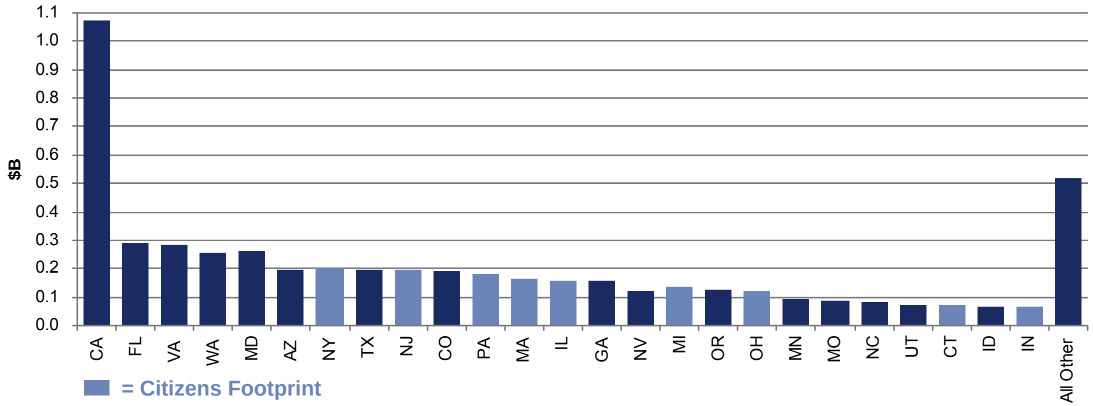
Year of Purchase	% Total	Balance* ($B)	Units
2004	0.6%	0.03	730
2005	25.5%	1.37	31,953
2006	41.2%	2.22	41,805
2007	32.4%	1.75	30,542
Sub Total*	99.8%	5.37	105,030
Rejected C/O	0.2%	0.01	135
Total	100.0%	5.39	105,165

** Does not include rejected C/O's 135 units totaling 13.0MM*

Notwithstanding a 13 state footprint and prominence in the New England and Mid Atlantic regions, SBO exposed RBS to every other state in America. Concentrations in California and Florida were especially pronounced.



Balance by State

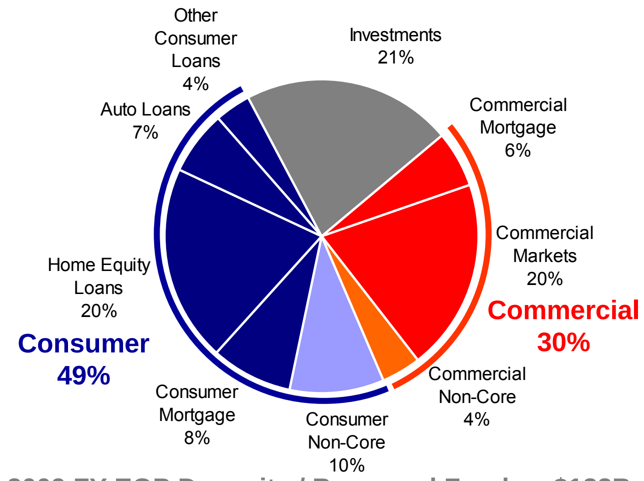


	CA	FL	VA	WA	MD	AZ	NY	TX	NJ	CO	PA	MA	IL	GA	NV	MI	OR	OH	MN	MO	NC	UT	CT	ID	IN	All Other
%	20%	5%	5%	5%	5%	4%	4%	4%	4%	4%	3%	3%	3%	3%	2%	3%	2%	2%	2%	2%	2%	1%	1%	1%	1%	10%
Cuml %	20%	25%	31%	35%	40%	44%	48%	51%	55%	59%	62%	65%	68%	71%	73%	76%	78%	80%	82%	84%	85%	87%	88%	89%	90%	100%

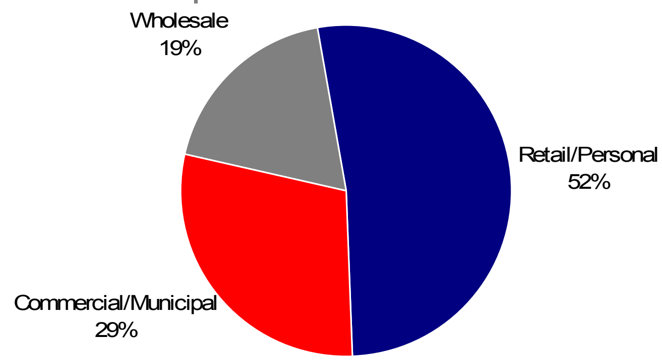
Balance Sheet

Citizens Financial Group

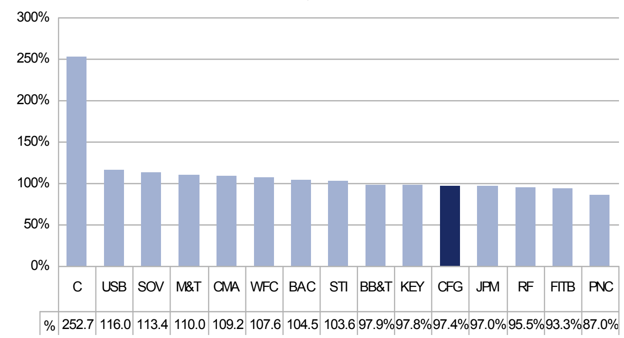
2009 FY EOP Earning Asset Distribution – $123B



2009 FY EOP Deposits / Borrowed Funds – $123B



Loans to Domestic Deposits
excluding broker deposits



IFRS - $MM (Spot)	Full Year 2009	Full Year 2008	vs. 2008 Inc/(Dec) $	%
Investments	$ 26,717	$ 27,293	$ (576)	(2%)
Loans				
Consumer Mortgages	11,405	15,275	(3,870)	(25%)
Commercial	36,115	41,086	(4,971)	(12%)
Consumer	46,756	53,496	(6,740)	(13%)
Credit Card	2,241	2,475	(234)	(9%)
Loans Held For Sale	444	138	306	222%
Total Loans	**96,961**	**112,470**	**(15,509)**	**(14%)**
Other Assets	19,263	15,377	3,886	25%
Total Assets	**$ 142,941**	**$ 155,140**	**$ (12,199)**	**(8%)**
Deposits				
DDA	$ 18,994	$ 15,929	$ 3,065	19%
CWI	18,200	13,001	5,199	40%
Liquid Savings	35,521	32,075	3,446	11%
Term & Time (Excl. Wholesale)	24,391	31,007	(6,616)	(21%)
Total Deposits Excl. Wholesale	**97,106**	**92,012**	**5,094**	**6%**
Wholesale Deposits	947	2,594	(1,647)	(63%)
Total Deposits	**98,053**	**94,606**	**3,447**	**4%**
Customer Repo's/Sweeps	2,827	5,101	(2,274)	(45%)
Borrowed Funds/Other Liabilities	24,522	40,162	(15,640)	(39%)
Total Liabilities	**125,402**	**139,869**	**(14,467)**	**(10%)**
Equity	17,539	15,271	2,268	15%
Total Liabilities & Equity	**$ 142,941**	**$ 155,140**	**$ (12,199)**	**(8%)**

Investment Portfolio

Citizens Financial Group

US GAAP - $MM

- The portfolio remains dominated by low (0% - 20%) risk weighted assets with 85% being either explicitly or implicitly guaranteed by the U.S. Gov't.
- The Available for Sale (AFS) investment portfolio had a book value at Dec '09 of $26.5BN, only slightly smaller than $27.1BN at Dec '08.
- Overall portfolio composition is little changed: Subsector shifts were driven by reinvestment into shorter duration fixed rate and floating rate securities.
  - Non-agency RMBS balances are >$800MM lower due to cash flows being reinvested into lower risk weight GNMA backed securities.
  - GNMA guaranteed holdings increased ~$1BN with the increase concentrated in floating rate CMOs.
  - Fixed rate pass-throughs are ~$1.4BN lower, offset by a $1.17BN increase in agency Hybrid ARMs.

	Spot Balance Dec '08	Spot Balance Dec '09
U.S. Treasury & GNMA Securities	8,601	9,611
U.S. Agency	13,625	12,906
Private Label RMBS	3,908	3,094
AAA Private Label CMBS	823	813
Municipal / Other	131	134
Total Available for Sale (AFS)	27,088	26,558

All data based on Book value at 12/31/2009

Credit Rating Details - Treasury AFS CMBS & RMBS Portfolio
As of December 30, 2009

Rating	TOTAL $	TOTAL %	TOTAL RWA (BASEL 1)
AAA	1,603,885	41%	20%
Investment Grade (excl AAA)	888,880	23%	91%
Non-Investment Grade	1,414,232	36%	100%
Total:	**3,906,997**	**100%**	**65%**

All data based on Book value at 12/31/2009

USR/C – Core Results to Total CFG Recon

	IFRS										GAAP
	Per Results USR&C Core	"Group" Eliminations	Internal USR&C Core	USR&C Non-Core	USR&C Total	GTS	Bus Svc	Central Items	Total CFG	IFRS vs. GAAP	Total CFG
Net Interest Income	2,985		2,985	442	3,427	9	(46)	(2)	3,388	33	3,421
Treasury Allocation	(208)	208	-		-						
Non Int Income	1,487		1,487	33	1,519	436	18	-	1,974	(63)	1,911
Total Income	4,264	208	4,472	474	4,946	445	(28)	(2)	5,362	(30)	5,332
Total Direct	(2,143)	-	(2,143)	(81)	(2,224)	(129)	(1,134)	18	(3,470)	11	(3,459)
Business Services Allocation	(1,078)	1,078	-		-				-		
Group Department Costs Allocation	(118)	118	-		-				-		
Total Costs	(3,339)	1,196	(2,143)	(81)	(2,224)	(129)	(1,134)	18	(3,470)	11	(3,459)
Operating Profit Before Impairment	925	1,404	2,329	393	2,722	316	(1,162)	16	1,892	(19)	1,873
Impairment Loss	(1,099)		(1,099)	(1,690)	(2,789)	(4)			(2,793)	10	(2,783)
Operating Profit	(174)	1,404	1,230	(1,296)	(67)	312	(1,162)	16	(901)	(9)	(910)
Internal CFG Business Services Allocations		(928)	(928)	(67)	(995)	(134)	1,129	1	-		
Pretax		476	302	(1,363)	(1,137)	165	(60)	16	(1,017)	(124)	(1,141)
Amortization/Intangibles/One time costs			(75)		(75)	(13)	(27)	(1)	(116)	(115)	(231)
Pretax			227								
Income tax			(71)	479	408	(57)	11	(6)	355	46	401
Net Income			156	(884)	(729)	108	(49)	10	(662)	(78)	(740)

Net Income IFRS	**(662)**
IFRS vs. GAAP differences:	
NY Branch	(2)
Credit Card Recovery Methodology	8
IFRS Accounting Differences:	
FAS 91 Loan Fees/Costs	(3)
Pension	(32)
Bond Impairment	(9)
Building Rent / Depreciation	30
Intangible Amortization	(67)
Restructure Charges (2008 vs. 2009)	(49)
Tax Impact of Accounting Differences	46
Total IFRS vs. GAAP changes	(78)
Net Income GAAP	**(740)**

GBM Americas

Bob McKillip & Michael Lyublinsky
Co-Chief Executive Officers, Global Banking & Markets

GBM Americas:

Strategic Overview

GBM Americas: Strategic Overview

RBS

GBM Americas Structure

Global Banking & Markets	
Global Banking & Markets Americas	
Markets	**Banking**
Michael Lyublinsky Co-CEO, GBM Americas	Bob McKillip Co-CEO, GBM Americas
Support	

Global Banking & Markets Americas is a leading banking partner to major corporations, and financial and governmental institutions in the region. We provide a full range of debt financing, risk management and investment services to our clients both locally and around the world.

GBM Americas: Strategic Overview

RBS

Evaluation of GBM Americas businesses against five criteria

1. Customer franchise	Is our business based on an enduring customer franchise? Do we have clear competitive advantage and strong market shares? Have we taken account of how the market and competitive environment will change?
2. Returns	If we fully allocate costs and appropriately measure equity, can our businesses meet a hurdle rate of 15% after-tax return on tangible equity in 'normal' times, looking forward? For riskier businesses the hurdle rate should be higher
3. Growth	Are the businesses capable of at least 5–10% organic growth in 'normal' times?
4. Risk and funding	Are the businesses 'proportionate' users of risk and balance sheet relative to franchise and profitability? Ensure the businesses are supported with the most appropriate funding mix.
5. Connectivity	Do the businesses fit with each other – are there shared skills efficiencies, client transactions, etc.?

GBM Americas: Strategic Overview

RBS

GBM Americas is Core to RBS' Global Franchise

The Strategic Test:		Our Position:
Top Position in Enduring Franchises	Mid	• Ranked # 1 Manager US Asset Backed Securities[1] • Ranked # 1 in USD Interest Rate Volatility[1] • Leading underwriter of US Treasury Coupon Securities[1]
15%+ ROE in Normal Markets	High	• Core business generated an estimated ROE of 35% in 2009 and is expected to generate in excess of the benchmark in 2010
Capable of Organic Growth	High	• Our market position and the consolidation of competitors gives us the ability to grow organically by increasing market share
Proportionate Use of Balance Sheet, Risk and Funding	Mid	• Significant de-risking of the balance sheet complete • Gross exposure to Mortgages significantly reduced • Increased use of stress testing in process
Connected to Rest of GBM/Group	High	• GBM Americas is a critical business in serving GBM clients globally • Many client/product interdependencies with Global Transaction Services and Citizens

[1]*Source: Asset-Backed Alert 2009; Orion- installments 1-4 2009; EuroMoney FX Poll 2009; Dept of US Treasury*

GBM Americas: Strategic Overview

RBS

Our strategy was agreed in 2009 and we are on track entering 2010

1 year: Completed 2009	3 years: 2011	5 years: 2013
Stability	**Profitability**	**Review Growth Options**
• Preserve our franchise. Build out key product capabilities to complement existing market strengths. Priority client lists and account plans in place • Segregation of Core and Non-Core • Increase balance sheet efficiency and cross-sales • Cost efficiency programs underway and major investments made • Better understood and managed risk	• Deeper share of core clients' wallet • Efficient balance sheet: >15% return on equity • Improvements in productivity; front to back processes • All major 2009/10 change programs complete	• ROE sustained at 15%+ • Consistent performance, sustainable growth, appropriate risk

GBM Americas: Strategic Overview

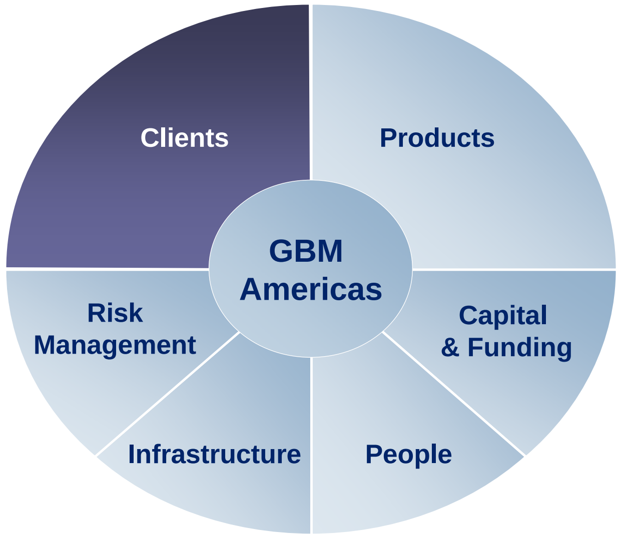
Key Initiatives from the GBM Americas Strategic Review

- #1 Build client franchise through financing and risk management-led proposition
- #2 Reposition selected products for greater profitability
- #3 Reinforce fixed income leadership
- #4 Further leverage GBM Americas/RBS Group connectivity
- #5 Maintain discipline in capital usage and liquidity
- #6 Expand business metrics to fully consider risk, capital and liquidity
- #7 Attract and retain top talent in the US
- #8 Invest in business growth while improving front to back efficiency/controls
- #9 Enhance risk and controls environment, including revised risk frameworks, new capital approach, and reduced risk profile

GBM Americas: Strategic Overview

Clients

- Play to our strengths: Drive business through our origination and distribution platform
- Focus on core client base relationships
  - Leverage market leading positions to increase wallet-share from key GBM clients
  - Large Corporate and FI clients looking for a stable and reliable partner with global capabilities
  - Utilize banking consolidation and changes in competitors strategic direction to create opportunities and increase “share of wallet”
  - M & A market activity expected to drive new issuances in 2010



GBM Americas: Strategic Overview

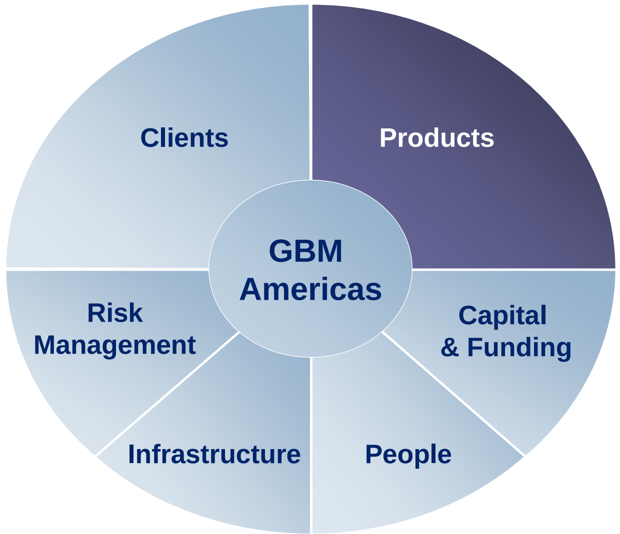
Our Core Product Structure

Global Banking & Markets Americas

Core Businesses

Markets | **Banking**

Portfolio Management, Risk, Finance, Legal, Operations & Technology, Human Resources



GBM Americas: Strategic Overview

RBS

Core / Non-Core Segmentation results in Clear Product Choices

Core Markets Businesses	Core Banking Businesses
• Rates Trading • Mortgage Trading • Credit Trading • Local Markets • FX Trading • Short Term Markets & Financing • Equities • Structuring	• Investment Grade Bonds • High Yield Bonds • Non-Mortgage ABS • Syndicate • Loan Markets • Corporate Finance Advisory • Portfolio Management • Coverage
Non-Core (Exiting) Businesses	
• Asset Finance • Real Estate Finance • Non-Conforming ABS Origination • RBS Sempra Commodities JV	• Leveraged Finance • Project Finance • Structured Credit Trading • Asset Management

See Appendix for additional information on Core Markets and Banking products.

GBM Americas: Strategic Overview

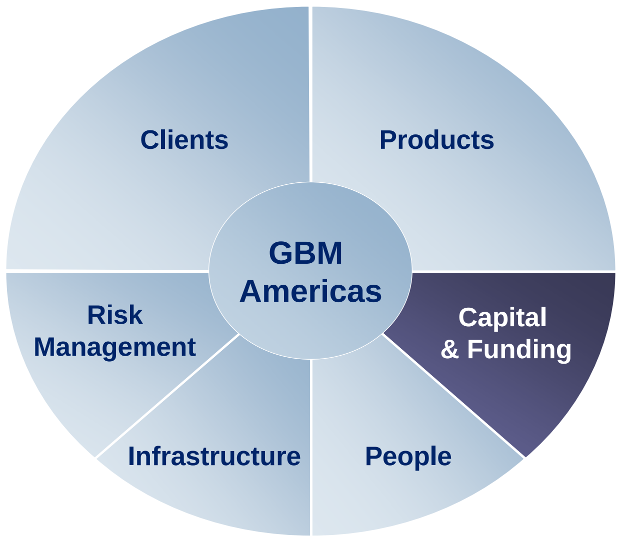
Effectively managing capital and funding

Capital

- Proportionate use of balance sheet, risk and funding across businesses
- Active credit portfolio management
- Revised risk management frameworks and limits
- Review incentives, governance structures and metrics

Funding

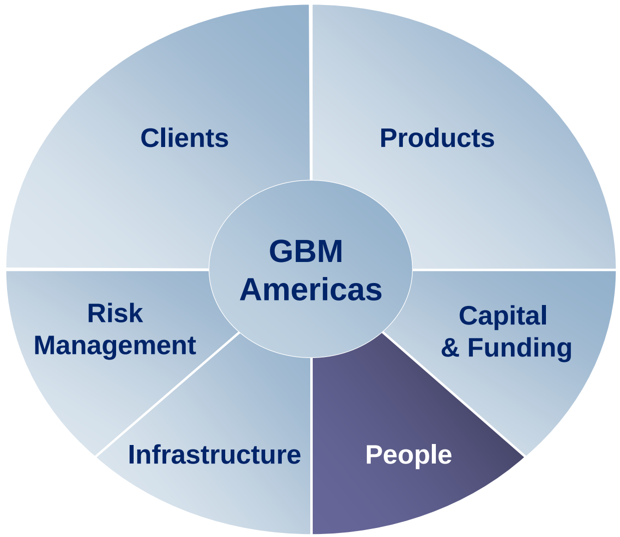
- Actively reduce & monitor balance sheet usage, efficiency and returns
- Increase third party funding, diversifying both secured and unsecured term funding sources
- Implement new suite of funding initiatives



GBM Americas: Strategic Overview

Our People

- Attracting and retaining talent is integral to the success of GBM Americas:
  - Comprehensive organizational changes implemented in 2009
  - Continued to hire through Q4 2009 and Q1 2010
  - Overall strategy and near-term objectives have been made transparent
  - Co-location of businesses and support at new headquarters in Stamford, CT
  - Existing talent pool is top caliber

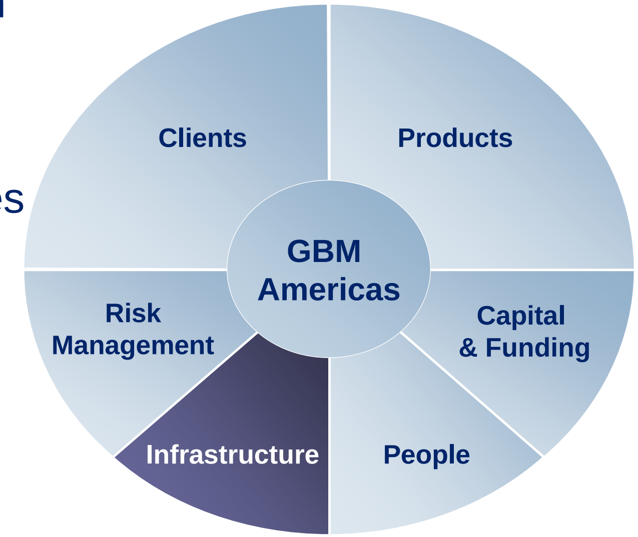


GBM Americas: Strategic Overview

Investing in Essential Infrastructure

North Star: a two-year global infrastructure investment program

- Focused on advancing GBM America's process architecture
  - In-depth evaluation of technology infrastructure capabilities
  - Aligned to RBS Group-level initiatives
- Designed to enhance control and risk management
- Allows for ongoing improvement and efficiency
  - Upgrade of systems/circuits; streamlined processes
- Industrializing front-to-back infrastructure will support the achievement of our five-year strategic plan



GBM Americas: Strategic Overview

RBS

GBM Americas Risk Management Objectives

Enhance Controls

- Revised governance frameworks
- Redesigned approval, monitoring and control processes

Expand Measurements

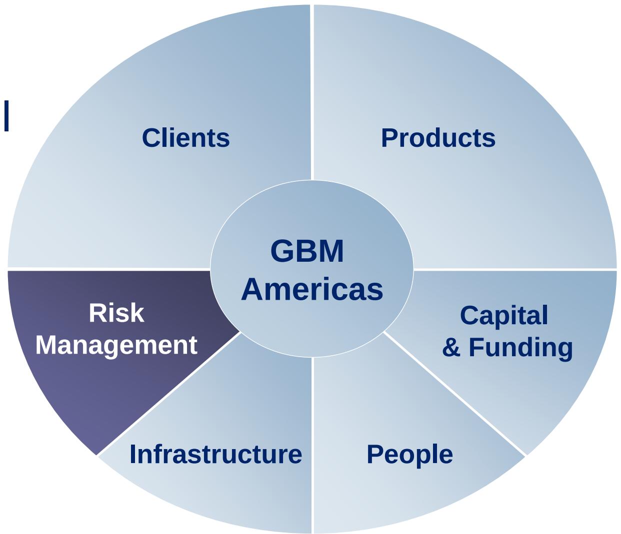
- Improve risk measurement and capital efficiency through the deployment of enhanced risk measurement methodologies

Increase Efficiency

- Investment in technology to streamline processes, lower costs and improve quality, completeness and timeliness of risk management information

Integration

- Move to single operating model for GBM Risk



GBM Americas:

Strategic Overview

Core Financial Performance

Progress to Date

Looking Ahead

Appendix

GBM Americas: Core Financial Performance

RBS

We are a refocused business

Historic (2008 Actuals)*	
Revenue	$ (0.5) bn
Pre-Tax Contribution	$ (1.7) bn
TPAs (excl. MTM)	$143.9 bn
RWA (Spot)	$ 70.3 bn
Estimated ROE (pre-tax)	N/A
Estimated ROE (post-tax)	N/A
People	2,308

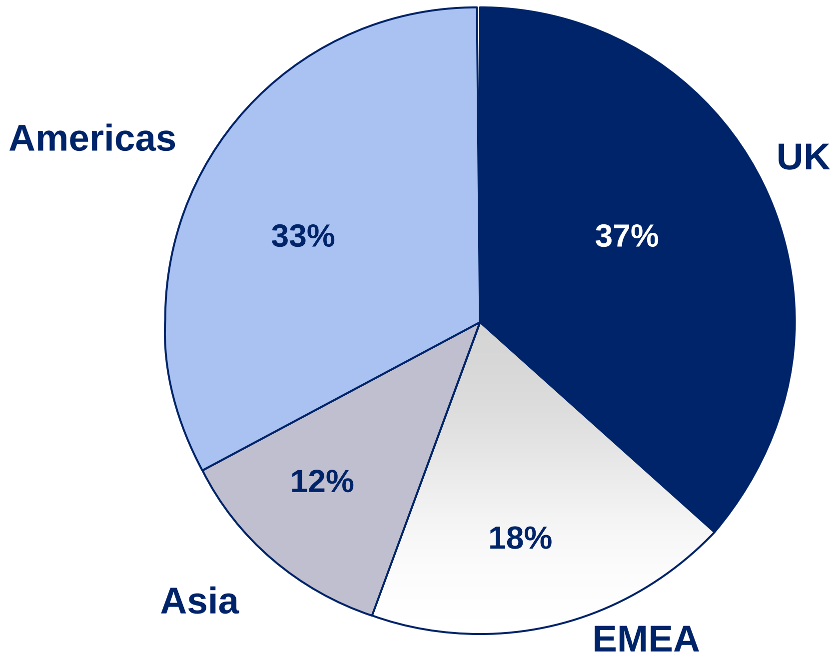
Refocused (2009 Actuals)*	
Revenue	$ 5.5 bn
Pre-Tax Contribution	$ 4.2 bn
TPAs (excl. MTM)	$137.6 bn
RWA (Spot)	$ 68.1 bn
Estimated ROE (pre-tax)	54%
Estimated ROE (post-tax)	35%
People	2,403

* GBM Americas financial performance is a subset of Global Banking & Markets financial results as included in the RBS Group 2009 annual results.
* GBM Americas results above are reflective of the core business as outlined earlier in the presentation. The core business excludes the results of the RBS Sempra Commodities JV following the announcement of RBS' intended divestiture.
* Estimated ROE% is based on profit after-tax (including an estimate for RBS Group overhead costs). Tax rate applied = 35%. Equity is calculated at 10% of Risk Weighted Assets.

GBM Americas: Core Financial Performance

The Americas is fundamental to the success of Global Banking & Markets:

2009 GBM revenues of $17bn
Geographic breakdown



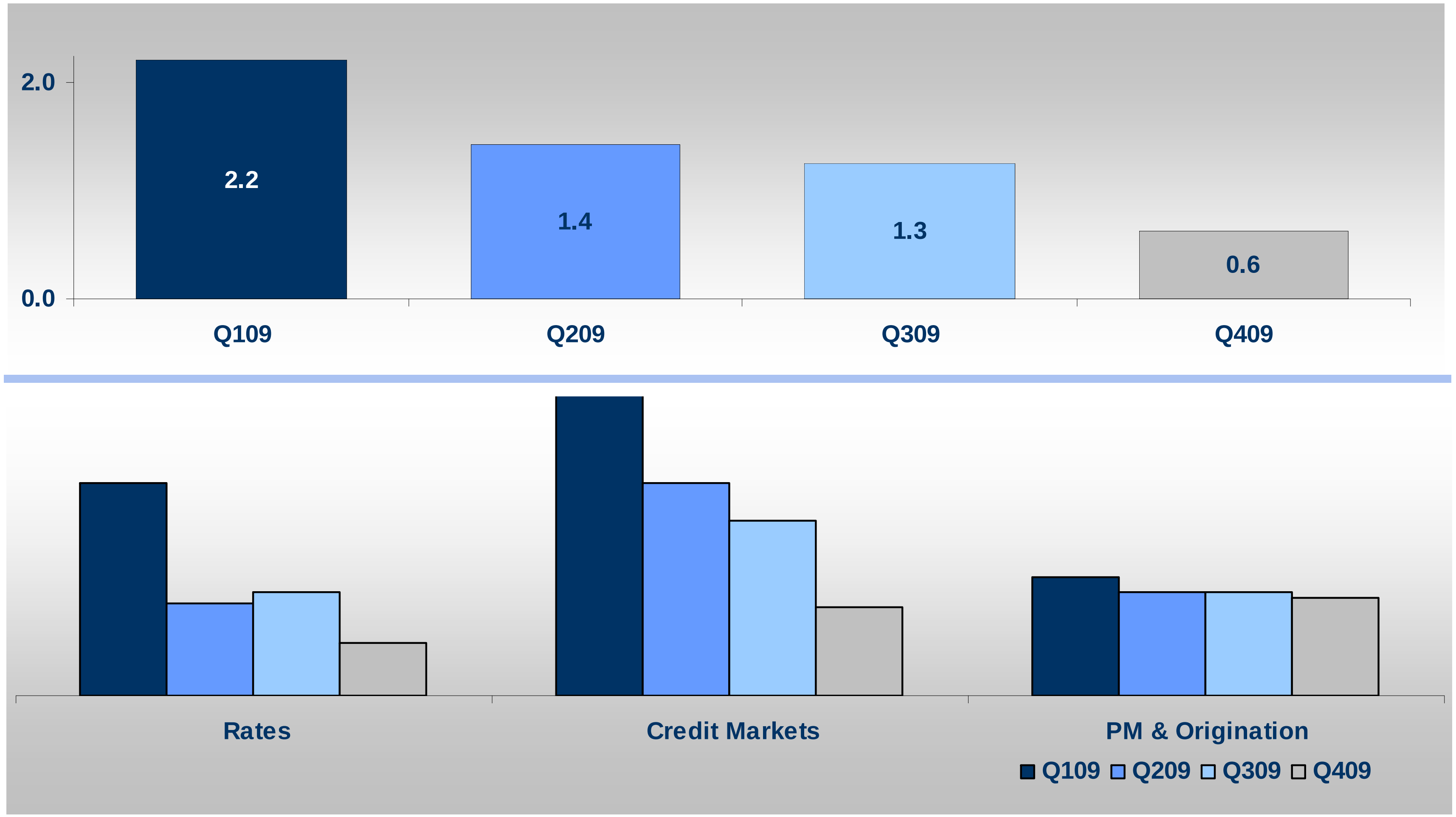
- Leading underwriter of US Treasury Coupon Auctions by market share
- # 1 USD Interest Rate Volatility desk
- #1 Manager of US Asset-Backed Securities for 2009, with 80 deals, 12 more than it's closest competitor

Source: Dept of US Treasury, Orion- installments 1-4 2009, Asset-Backed Alert 2009

GBM Americas: Core Financial Performance

RBS

GBM Americas Quarterly Revenue by Product, USD $bn



- Following 2008, the Core franchise had an exceptional Q109 lead by the Mortgage Trading and Rates Businesses.
- The remainder of 2009 (Q2 – Q4) represented a return to more sustainable performance across many businesses.

**Bottom graph reflects only the performance of those businesses with significant contribution to the region's overall performance.*

GBM Americas:

GBM Americas: Progress to Date

- Client business refocused
- Strong positions maintained in key businesses including Mortgages and Rates
- Significant de-risking of the portfolio
- Mexico and Canada refocused and banking license application in Brazil
- Full establishment and separation of Non-Core business - assets identified, governance in place
- Columbia sale agreed and exploring new ownership for Argentina, Venezuela, and Chile

GBM Americas: Progress to Date

RBS

Preserving our Franchise

Top 3		**6–10**	
4–5		**>11**	

		Position: Current	Position: Aspiration
Markets	USD Options	1	
	Rates Trading	4	
	Credit	10	
	FX	3	
	MBS	6	
Banking	Syndicated Loans	8	
	DCM	7	
	FI DCM	10	
	Non-Mortgage ABS	4	

Customer Relationship Ranking	**USA**
Important Relationships	5
Lead Relationships	6
Domestic Banking	8 (T)
International Banking	4

Source: GBM Strategy, Orion, FX poll, Dealogic, Risk Magazine, Euromoney, Coalition, Business Estimates, Thomson, Asset Backed Alert, Greenwich Associates 2009

GBM Americas:

Strategic Overview

Core Financial Performance

Progress to Date

Looking Ahead

Appendix

GBM Americas: Looking Ahead

Focus & challenges for 2010

Focus	Challenges
▪ Deepen relationships with core customers ▪ Defend market leading positions ▪ Continue to manage risk tightly ▪ Deliver improved processing platforms ▪ Continue to improve connectivity with other divisions ▪ Restore pride in our people	▪ Global economic conditions are fragile ▪ Wholesale funding costs ▪ Weakened economies ▪ Low trading spreads & volatility ▪ Changing regulatory and accounting frameworks ▪ Capital management ▪ Structure of banking system ▪ Supervisory process / governance ▪ Accounting / liquidity ▪ Retention and recruitment of talented staff

GBM Americas: Looking Ahead

Moving forward…

- 2009 was an exceptional year and a solid foundation for 2010
- Strategy is clear and we are performing ahead of the original strategic plan
- Focus now on implementation and execution
- The Americas fundamental to the success of RBS Global Banking & Markets

GBM Americas:

Strategic Overview

Financial Performance

Progress to Date

Looking Ahead

Appendix

GBM Americas: Appendix

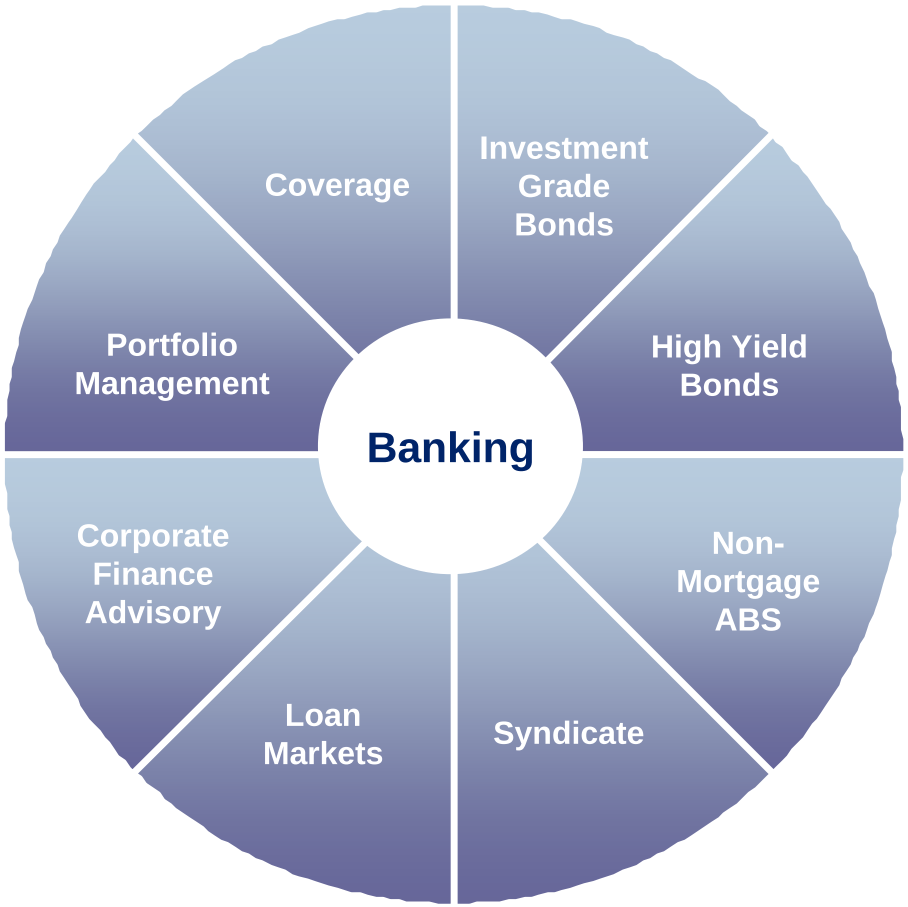
Markets

Businesses:

- **Rates Trading:** Offers clients a full spectrum of Rates Products including Treasuries, Agencies, IRD Swaps, Options, Inflation Products, Structured Products and Short Term Markets.
- **Mortgage Trading:** Provides secondary market solutions to client hedging, trading, investment, and structuring needs, covering a full range of mortgage and asset backed products.
- **Credit Trading:** Offers clients a full spectrum of Credit Products including Bonds, Loans, LCDS, CDS and Index.
- **Local Markets:** A cross product business offering clients the majority of asset classes for clients across our Markets business for emerging economies.
- **FX Trading:** A key component of RBS' Global Foreign Exchange franchise, the business provides 24hr Global market making and client services in an extensive range of products covering both the spot and options markets.
- **Short Term Markets & Financing (STM&F):** Activities include managing liquidity, regulatory, and interest rate risk in banking books while maintaining a sustainable presence in the wholesale funding market.
- **Equities:** Offers investment research, primary and secondary distribution of foreign issuances in the US market, securities lending, financing & collateral trading and structured equity trading as part of the Global Equities business.
- **Structuring:** Is the product and solutions engine-room for markets. It brings together structuring and product development to achieve key client objectives, utilizing a cross-asset, client-led approach to provide clients with customized solutions.

GBM Americas: Appendix

Banking



Businesses:

- **Investment Grade & High Yield Bonds:** Offers corporate and FI clients a broad range of debt market solutions ranging from bond financings to risk management solutions.
- **Non-Mortgage ABS (Conduits):** Provides top-tier US non-mortgage term ABS distribution, structuring and advisory services, supported by efficient lending via conduits.
- **Syndicate:** Manage GBM's primary market risk while exercising underwriting and pricing authority, communicating investor feedback, and coordinating sales of portfolio assets
- **Loan Markets:** Responsible for the origination & structuring of all investment grade and high yield new issues, as well as all non-recourse & infrastructure financings.
- **Corporate Finance Advisory:** Offers clients product advice related to capital structure, shareholder payout, liquidity, ratings advisory, strategic risk management, accounting and pensions, as well as customized solutions.
- **Portfolio Management:** Seeks to maximise opportunities from the existing portfolio with a primary focus on credit exposures.
- **Coverage:** Focuses on the overall relationship with our clients working with our Product, Sales and Support partners to offer an innovative and broad product range covering financing, risk management, advisory, and investment activities.

GBM Americas: Appendix

RBS

2009 Key Deals and Achievements - Banking

Client	Transaction	Role	Date
Time Warner Cable	USD 2,000,000,000 3.500% Senior Notes due 2015 5.000% Senior Notes due 2020	Joint Bookrunner	December 2009
International Paper	USD 750,000,000 7.300% Senior Notes due 2039	Joint Bookrunner	December 2009
Quest Diagnostics	USD 750,000,000 4.750% Senior Notes due 2020 5.750% Senior Notes due 2040	Joint Bookrunner	November 2009
Harley-Davidson Motorcycle Trust 2009-4	USD 562,499,000	Joint Lead Manager	November 2009
Boeing Co	USD 1,200,000,000 1.875% Senior Notes due 2012 3.750% Senior Notes due 2016	Joint Bookrunner	November 2009
Kraft Foods, Inc.	GBP 5,500,000,000 Bridge Facility USD 4,500,000,000 Senior Credit Facility	Joint Lead Arranger	November 2009
Ford Motor Company	USD 2,875,000,000 Convertible Bond Offering	Joint Bookrunner	November 2009 United States
Progress Energy	USD 950,000,000 4.875% Senior Notes due 2019 6.000% Senior Notes due 2039	Joint Bookrunner	November 2009
Crown Castle International Corp.	USD 500,000,000 7.125% Senior Notes due 2019	Joint Bookrunner	October 2009
Hertz Vehicle Financing LLC, Series 2009-2	USD 1,200,000,000	Joint Lead Manager	October 2009
American Express Credit Account Master Trust 2009-2	USD 1,250,000,000	Joint Lead Manager	September 2009
Hyundai Auto Receivables Trust 2009-A	USD 1,317,600,000	Joint Lead Manager	September 2009
Cincinnati Bell, Inc.	USD 500,000,000 8.250% Senior Notes due 2017	Joint Bookrunner	September 2009
Wal-Mart	EUR 1,000,000,000 4.875% Fixed Rate Notes Due September 2029	Joint Bookrunner	September 2009
Westfield	USD 2,000,000,000 5.750% Senior Notes Due 2015 6.750% Senior Notes Due 2019	Joint Bookrunner	August 2009 United States
FirstEnergy Solutions	USD 1,500,000,000 4.80% Senior Notes Due 2015 6.05% Senior Notes Due 2021 6.80% Senior Notes Due 2039	Joint Bookrunner	August 2009
Express Scripts Inc	USD 1,613,450,000 Follow-On Offering	Co-Manager	June 2009 United States
CareFusion	USD 1,400,000,000 Bridge Facility USD 720,000,000 Senior Credit Facility	Joint Lead Arranger	June 2009
PepsiCo, Inc.	USD 1,975,000,000 Revolving Credit Facility	Joint Lead Arranger & Bookrunner	June 2009
International Game Technology	USD 1,666,500,000 Extended Revolving Credit Facility	Joint Lead Arranger & Bookrunner	June 2009
MGM Mirage	USD 1,151,150,000 Follow-On Offering	Co-Lead Manager	May 2009 United States
SLM Private Education Loan Trust 2009-B	USD 2,592,594,000	Joint Lead Manager	May 2009
Ford Credit Auto Owner Trust 2009-A	USD 2,954,100,000	Joint Lead Manager	March 2009
Pfizer Inc.	USD 22,500,000,000 Bridge Facility USD 5,000,000,000 Revolving Credit Facility	Joint Lead Arranger	March 2009

GBM Americas: Appendix

RBS

2009 Key Deals and Achievements - Markets

Rates

Institutional Investor Rankings		2009
#2	Inflation Overall	
#4	Infaltion Swaps USD	
Risk Awards		2008
Inflation Derivatives House of the Year		
Greenwich Associates		H1 2009
#1	Overall IRD Services Quality in the Americas	
Orion Consultants		Q4 2009
#1	USD Options Business Done	
#4	Treasury Business Done	
#4	US Flow Rate Derivatives	
#5	USD IRS Swap Business Done	

Mortgage Trading

Asset-Backed Alert		
#2	Global Structured Finance	FY 2009
#1	US MBS Bookrunners	FY 2009
#1	US ABS Managers	FY 2009
#1	Non-Agency Re-Remics	H1 2009
Orion Consultants		Q4 2009
#2	CMBS Sales	
#3	CMOs Business Done	
#4	CMBS Business Done	
Top 5	Pass-Throughs Business Done	
Top 5	MBS Trading	
Top 5	ABS Business Done	
Top 5	ABS Sales	

FX

Institutional Investor Rankings		2009
#1	Currency Options Overall	
Risk Corporate Survey 2009		2009
#2	Currency Options	
Euromoney FX poll 2009		2009
#3	FX North America	
#4	Globally FX Overall market Share	
#3	FX Options:	Vanilla FX #1 generation Exotics, generation Exotics, Consistent pricing
#2	Structured Options/FX Linked product/Correlation products, Trading strategies and Ideas	
#2	EM Options:	Consistent pricing
#2	EM Options:	Trading strategies and Ideas
Best Single Platform Speed of Execution		

Emerging Markets

Euromoney FX poll 2009		2009
#2	FX Emerging market options – trading strategies and ideas	
#2	FX Emerging market options – consistent pricing	
#5	FX research – emerging markets	
Euromoney Awards for excellence		2009
Best Emerging Market Loan		
EuroWeek Awards		2008
Overall emerging market deal of the year		
Best Emerging Market Loan		

Strategy

Institutional Investor		2009
All America Fixed Income Research Team		
#1	Federal Agency Debt Strategy	
Euromoney Awards for excellence	Rated #1 in ABS Research	
Orion Consultants		2009
#4 Govt & Flow Rate Derivatives		

Questions