

US R&C Investor Roundtable

Ellen Alemany, Chief Executive Officer
US R&C Executive Committee

July 2, 2012

Important information

Certain sections in this document 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', 'could', 'probability', 'risk', '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: Citizens Financial Group's ("CFG") and its ultimate parent company, the Royal Bank of Scotland Group plc's ("RBSG"), capitalisation, portfolios, net interest margin, capital ratios, liquidity, risk weighted assets, return on equity (ROE), profitability, cost:income ratios, leverage and loan:deposit ratios, funding and risk profile; the level and extent of future impairments and write-downs. These statements are based on current plans, estimates and projections, and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. 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: the global economic and financial market conditions and other geopolitical risks, and their impact on the financial industry in general and on the Group and CFG in particular; the financial stability of other financial institutions, and CFG's counterparties and borrowers; the extent of future write-downs and impairment charges caused by depressed asset valuations; the inability to hedge certain risks economically; costs or exposures borne by CFG arising out of the origination or sale of mortgages or mortgage-backed securities in the United States; unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, changes in the credit ratings of the Group and CFG; ineffective management of capital or changes to capital adequacy or liquidity requirements; changes to the valuation of financial instruments recorded at fair value; competition and consolidation in the banking sector; the ability of CFG and the Group to attract or retain senior management or other key employees; regulatory or legal changes (including those requiring any restructuring of the Group's operations) in the United Kingdom, the United States and other countries in which RBSG operates and the success of CFG and RBSG in managing the risks involved in the foregoing.

The forward-looking statements contained in this document speak only as of the date of this announcement, and neither CFG nor RBSG undertakes to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

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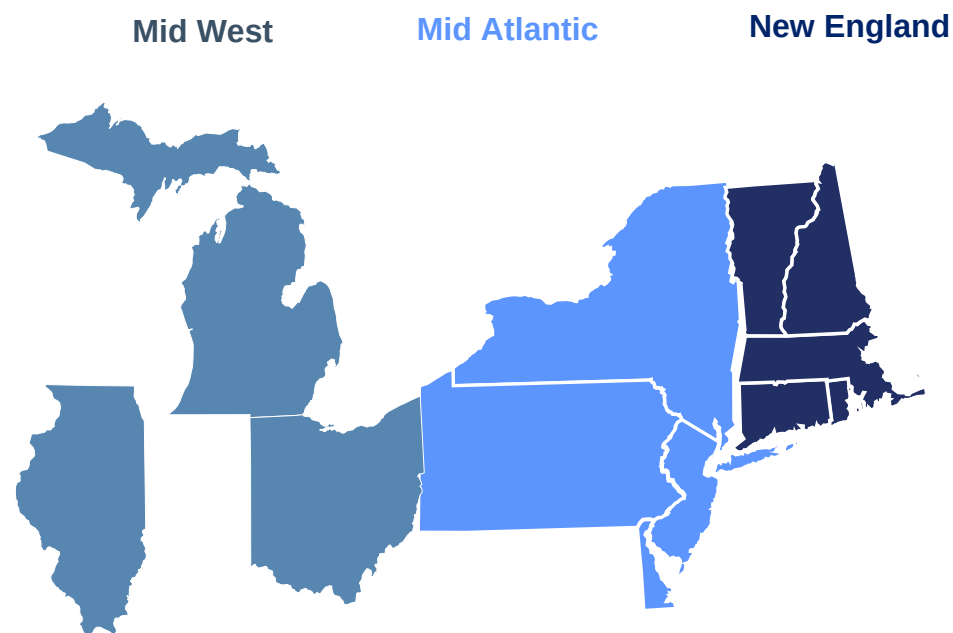
1. US R&C Overview

Ellen Alemany, Chief Executive Officer

1 Citizens' scale presents an attractive opportunity...

Citizens is the 12th largest bank in the US (\$130BN in assets) and offers the personal service of a community bank with the conveniences and expertise of a global financial services firm

Citizens operates in a 12 state footprint within 3 geographic regions...



Real GDP (% of US): 10%
Population: 34MM

Real GDP (% of US): 15%
Population: 47MM

Real GDP (% of US): 5%
Population: 13MM

Citizens Branches: 341

Citizens Branches: 637

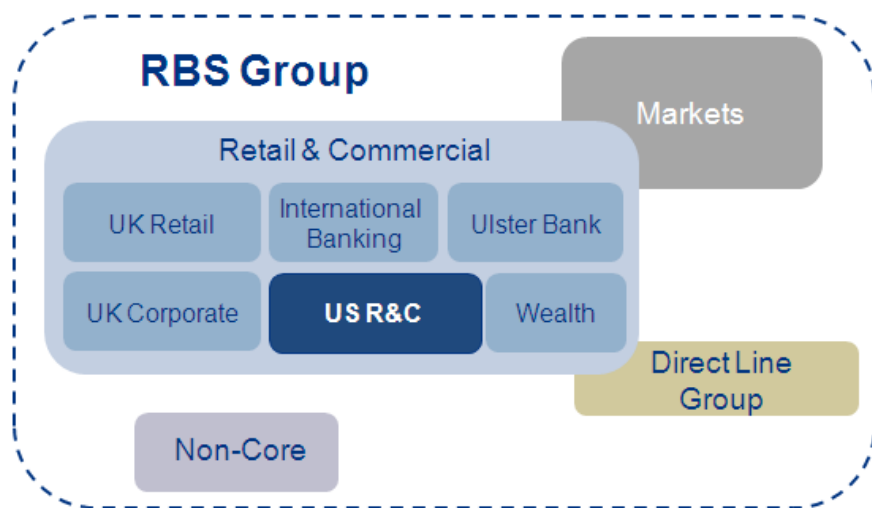
Citizens Branches: 488

...with the 9th largest branch distribution in the US, and a top 5 market rank in 8 of 10 major markets

Deposits		Rank	Share
New England	Boston	#2	18%
	Providence	#1	32%
	Manchester	#1	38%
Mid Atlantic	Philadelphia	#4	8%
	Pittsburgh	#2	9%
	Albany	#3	13%
	Rochester	#4	10%
Mid West	Cleveland	#4	10%
	Detroit	#6	5%
	Chicago	#12	2%

1 ...and is important to RBS's geographic and business mix

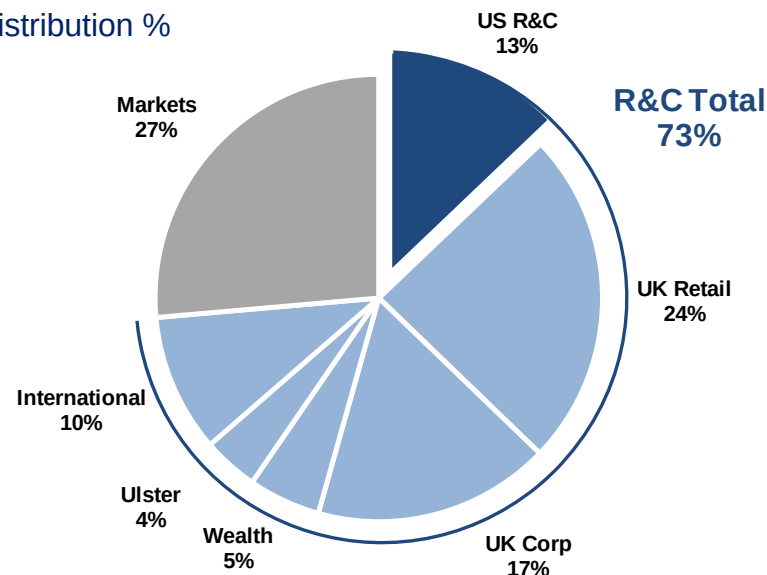
A strong fit for the Group...



- Access to the world's largest economy
- Self funding and self sustaining
- "A" rating with Standard & Poor's
- Connectivity & shared infrastructure across RBS Americas which represents c22% of total Core revenues

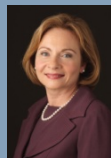
... and a key component of targeted balance

RBS Core 2011 Revenue Distribution %



- Franchise offers geographic and product diversity
- US R&C a key contributor to Group target of 80% R&C revenues through the cycle

1 Citizens has an experienced management team...



Ellen Alemany
Chief Executive Officer
35 Years in Banking



Brad Conner
Vice Chairman
Consumer Banking
25 Years



Robert Matthews
Vice Chairman
Commercial Banking
26 Years



David Bowerman
Vice Chairman
Business Services
25 Years



John Fawcett
Chief Financial Officer
25 Years



Nancy Shanik
Chief Risk Officer
32 Years



Robert Nelson
Chief Admin. Officer &
Head of Strategy
27 Years



Susan LaMonica
Director of HR
20 Years



Sheldon Goldfarb
Chief Legal Officer
18 Years



Theresa McLaughlin
Chief Marketing Officer
20 Years

Note: Executive Biographies in appendix



1 ...and focused strategic priorities

Our credo and brand remain the foundation of who we are and what we stand for. Our “back-to-basics” strategy focuses on core banking products, and competes on service & capabilities rather than price

• WHY WE ARE HERE •

PURPOSE & VISION

PURPOSE

Our purpose is to build a strong franchise that facilitates growth & prosperity for our customers, colleagues and communities thereby delivering attractive returns for our shareholders.

VISION

We will become a top performing regional bank in our footprint. We will achieve this by earning our customers' loyalty and serving as their primary banking partner. We will provide local, helpful service with global capability. We will be a leader in our markets; consistently perform for our shareholders, invest in our colleagues and support the communities where we live and work.



Citizens Bank | Charter One | RBS Citizens

• HOW WE'LL ACHIEVE SUCCESS •

5 STRATEGIC PRIORITIES

EMPLOY A HIGH-PERFORMING
AND ENGAGED WORKFORCE



DELIVER A DIFFERENTIATED
CUSTOMER EXPERIENCE



SERVE CUSTOMERS AS THEIR
PRIMARY BANKING PARTNER



EMBED EFFECTIVE RISK
MANAGEMENT



DELIVER FINANCIAL RESULTS
CONSISTENT WITH A TOP-
PERFORMING REGIONAL BANK



GOOD BANKING IS GOOD CITIZENSHIP

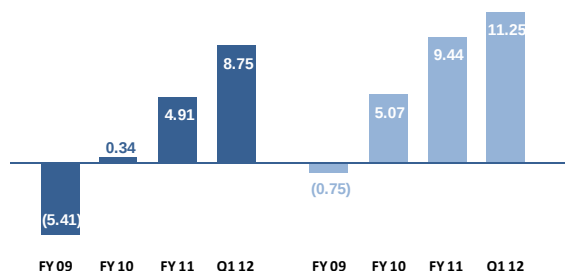


1 Our strategy is working...

■ Citizens ■ Peer Average

Source: Regulatory Y-9C Filings

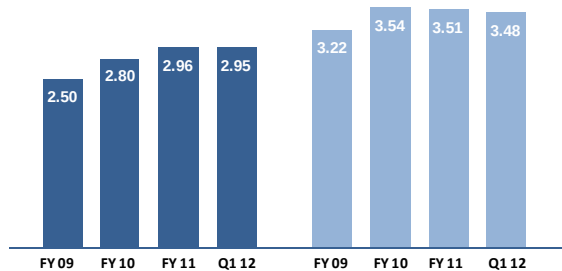
NORMALIZED ROE %*



Narrowed the gap to peers in Q1 12 to 250 bps due to higher NIM%, lower expenses, and improved credit quality

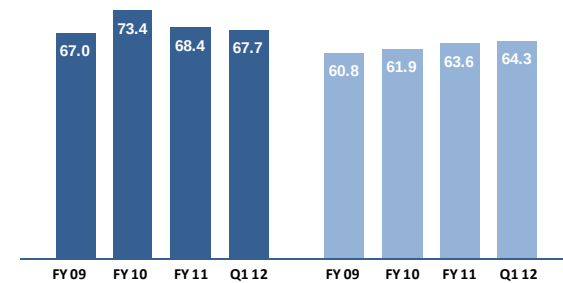
* Based on 10% RWA and excludes non recurring items, intangible expense, and security gains as defined by SNL Financial

NET INTEREST MARGIN %



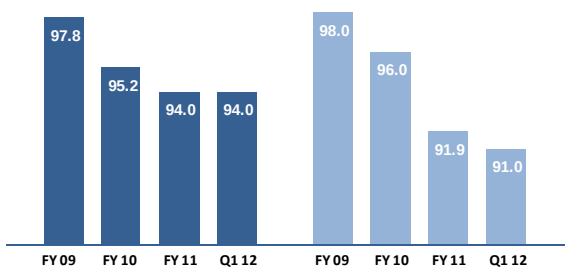
Improved NIM% 45 bps whilst peer banks only improved 26bps by optimizing loan pricing, improving deposit mix, and strategic balance sheet restructuring

COST / INCOME %



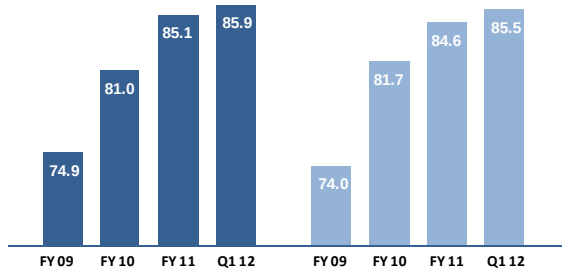
C:I ratio change better than peers due to better expense management, improvements in NIM, and strong mitigation strategies to offset impact of the regulatory impact on fees

LOAN : DEPOSITS %



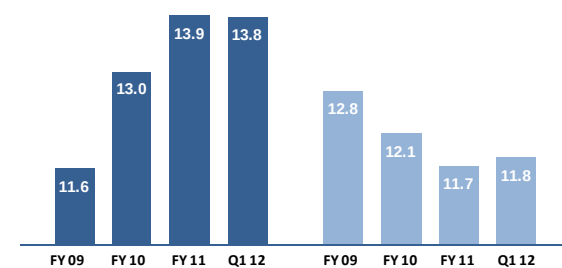
Decreased loan : deposit ratio due to run-off of Non Core loans partially offset by strong C&I loan growth and the intentional run-off of higher cost CDs

CORE DEPOSITS / TOTAL DEPOSITS %



Deposit mix improved as the percent of core deposits (deposit excluding CDs) to total deposits and is 36bps better than peers

TIER ONE CAPITAL %



CFG continues to rank amongst the highest in Tier 1 Capital versus peers. Capital ratios remain elevated as regulations have forced banks to increase common equity

1 ...despite the challenging regulatory environment

Quantity and velocity of regulatory changes pose significant challenges to all US banks resulting in an industry wide lowering of returns

IMPACT TO CITIZENS

- Regulation E and the Durbin Amendment impacted fee income by ~\$300 million
- Annual costs associated with the heightened regulatory environment is estimated in the \$50-\$100 million range
- Regulatory scrutiny has expanded and continues to be significant (FRB, OCC, FDIC, CFPB)

MITIGATION

- Revenue initiatives are in place that have returned fee income to pre-regulatory environment levels (Commercial Banking capabilities, capital markets, mortgages, investment services)
- Cost control remains a focus and initiatives are in place to offset the incremental costs

OPPORTUNITIES

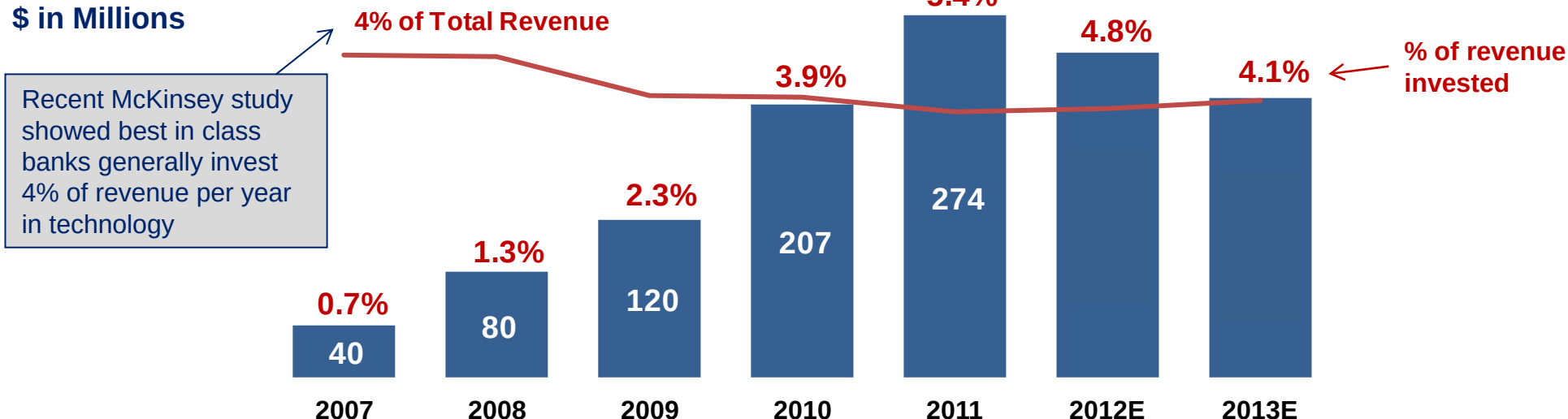
- Banks will need to define and operate within risk appetite statements and based on these risk factors, could result in banks choosing to exit certain business lines or activities
- Extent of regulatory changes may fundamentally challenge some banks business models which may offer consolidation opportunities



1 We are investing in our future

Citizens has historically under-invested in technology, and over the past few years has made strategic investments that strengthen our value proposition and improve back office efficiencies

Capital Investment \$ in Millions



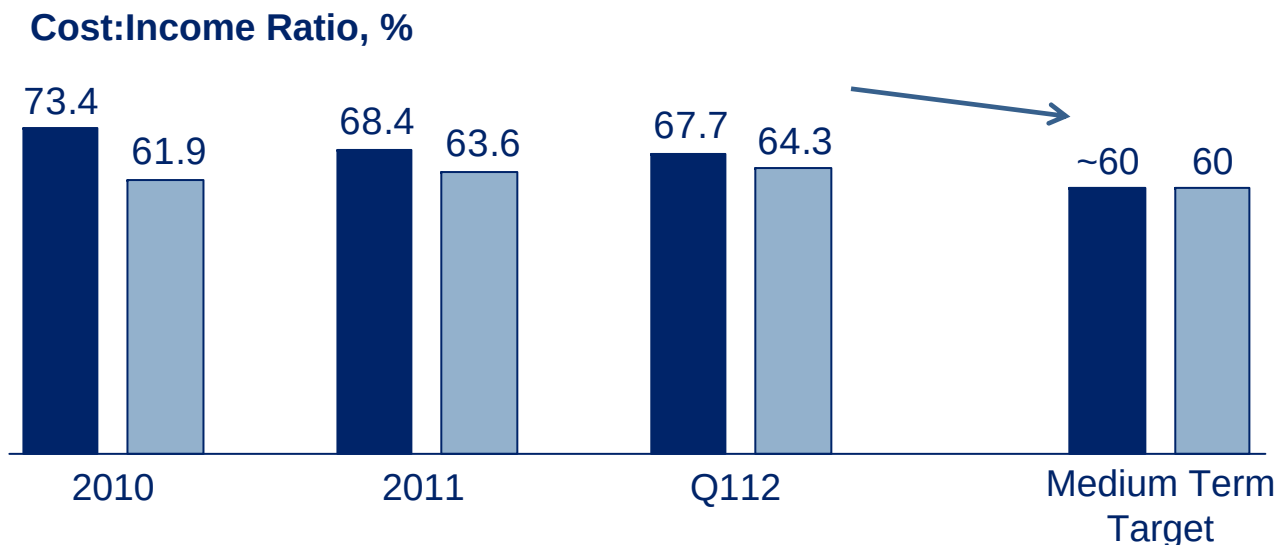
- Rigorous internal investment oversight process on capital projects to ensure required returns are met and benefits are realized
- Planned highlights for 2012/13 include:
 - Branch Image Capture
 - Intelligent Deposit Machines
 - Auto Finance Origination System
 - Enterprise Data Initiative
 - Commercial Loan System
 - Desktop Virtualization

1 We strive to become more efficient...

■ Citizens ■ Peer Average

Source: Regulatory Y-9C Filings and SNL Financial (for analyst estimate on peers)

Cost to income ratios have reset in the industry due to the impact of the regulatory environment on fee income and increased expenses to comply with the new regulatory expectations



- Citizens targeted to close the gap to peers due to:
 - Balance sheet growth
 - Improvement in NIM%
 - Fee income initiatives
 - Cost discipline
 - Property rationalization

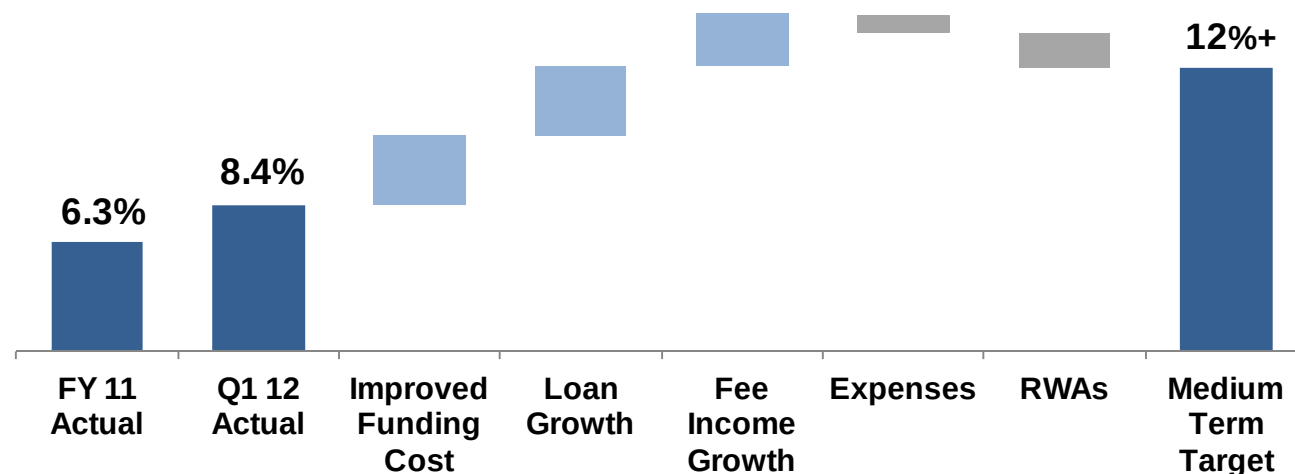


1 ...and expect our profitability to improve...

Core US R&C - IFRS

Core US R&C earnings rebound continues:
2010 ROE 3.7%, 2011 ROE 6.3%, Q1 12 ROE 8.4%... targeting over 12%

PROJECTION



PLANNED IMPROVEMENTS

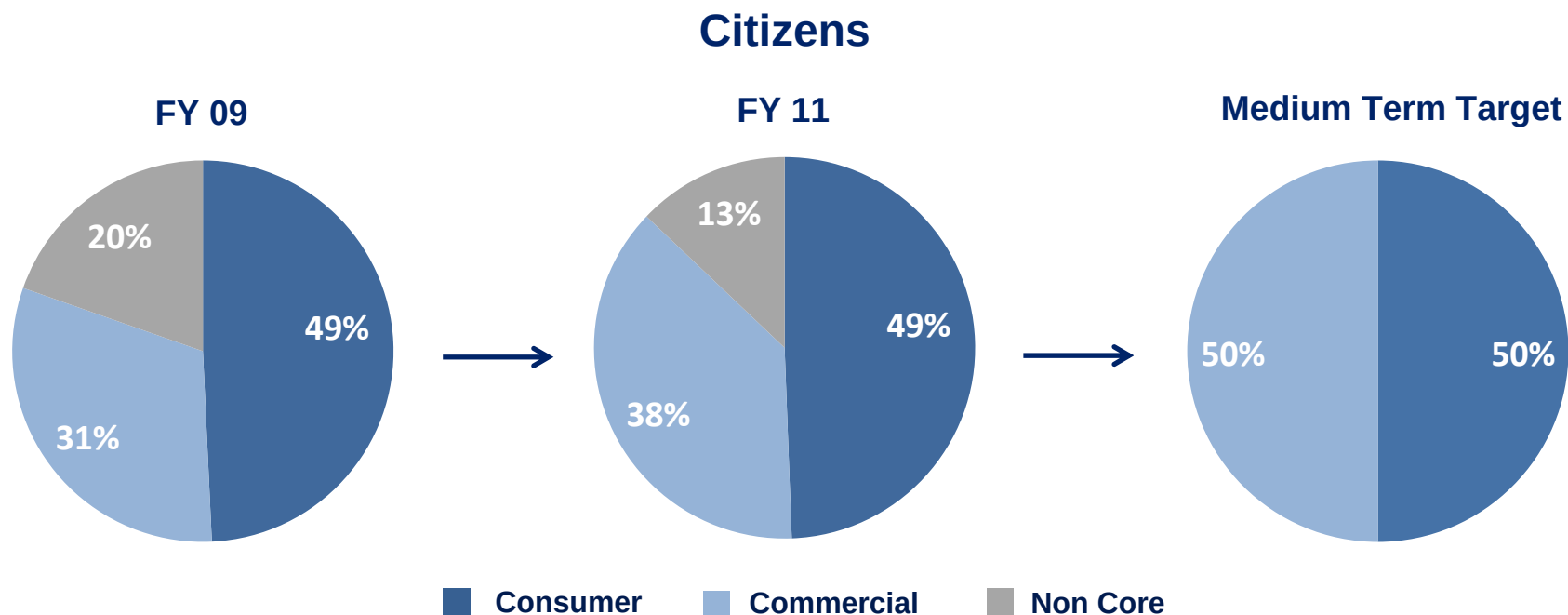
- Higher loan growth and improved funding costs will drive the improvements in net interest income and NIM%
- Initiatives in capital markets, commercial cross sell, mortgage banking and investment services revenue drive the improvement in fees
- Nominal costs expected to increase only slightly, despite increasing regulatory requirements and capital investment

Note: Q1 12 excludes the one-time litigation settlement



1 ...as we continue to shift our business mix

Citizens continues to focus on balancing its loan mix by growing its Commercial Business to diversify its portfolio and drive increases in NIM% and fee income

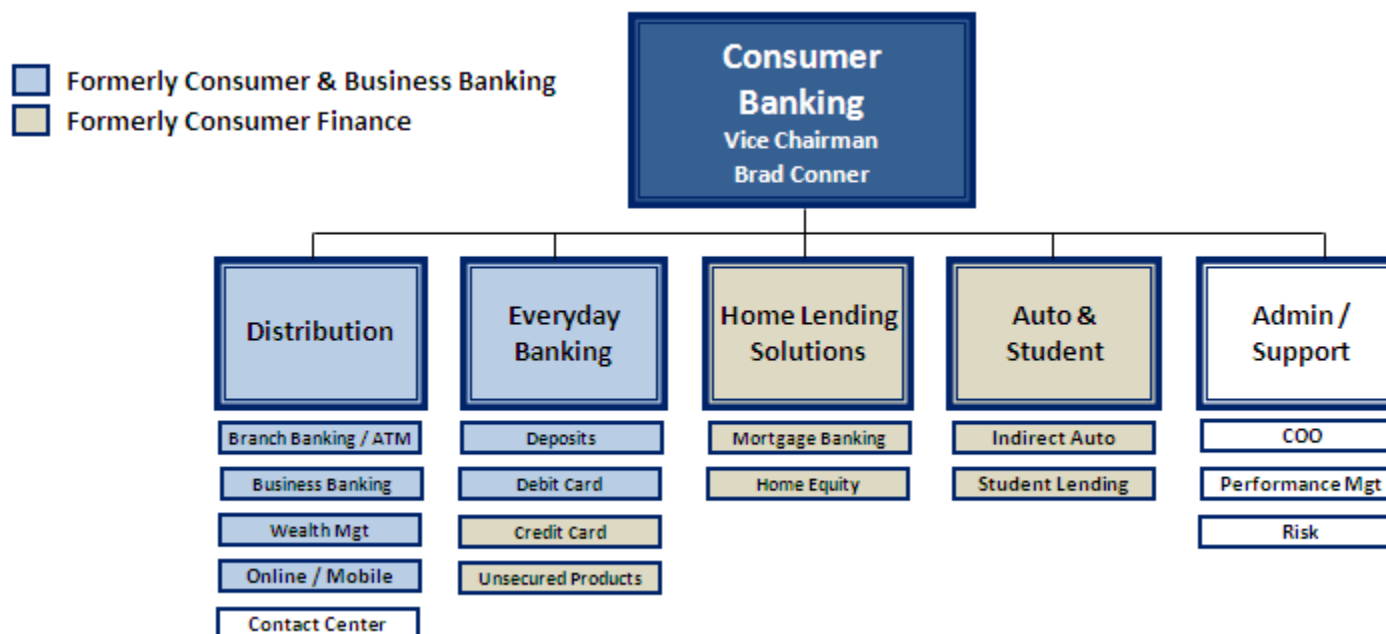


2. Consumer Banking

Brad Conner, Vice Chairman

2 The consolidated Consumer Banking division...

US R&C recently formed a consolidated Consumer Banking division by combining all product and distribution channels under a single management structure



- The synergies of this unified division more effectively promote new customer acquisition, encourage product cross sell, deepen / retain existing customer relationships, and capture underpenetrated segments

Note: Business Banking includes companies with <\$5MM in annual sales

2 ...posted solid improvement...

Despite the challenging regulatory environment for consumer focused banking, the Consumer Banking Division posted strong improvement in many areas

US GAAP		FY 10 Actual	FY 11 Actual	B/(W) % FY 11 vs. 10
Spot Balance Sheet \$BN	Residential Loans	29.4	30.0	2%
	All Other Loans	12.8	13.7	7%
	Deposits excluding CDs	50.4	53.9	7%
	Certificate of Deposits	15.8	12.9	(18%)
Income Statement \$MM	Total Revenue	3,379	3,182	(6%)
	Total Expenses	(2,465)	(2,419)	2%
	Loan Impairment	(460)	(382)	17%

- The Consumer Banking organization generated \$3.2 billion in revenue in 2011
- 2011 loan origination volume of \$17.3BN with \$11.6BN in home loans and \$3.6BN in auto
- Positive trends continue on deposits with improved mix by focusing on core customers
- The combined organization has over 12,000 full time colleagues

2 ...and has strong lending positions in our footprint

		Home Equity Lines of Credit	AUTO	MORTGAGE
		Q1 12 Rank	Q1 12 Rank	Q4 11 Rank
New England	Boston	1	3	7
	Providence	1	1	1
	SE New Hampshire	1	2	4
	Central / Eastern CT	2	6	>10
Mid Atlantic	Philadelphia	1	5	5
	Pittsburgh	2	2	>10
	Upstate NY	2	4	10
Mid West	Cleveland	2	10	>10
	Detroit	1	>10	>10
	Chicago	3	>10	>10

- Home Equity Line of Credit origination rank is #1 or #2 in nearly all of Citizens' major markets
- Top 5 rank in auto originations in 60% of major markets
- Revamped mortgage business model continues to grow, improving ranking in 3 major markets

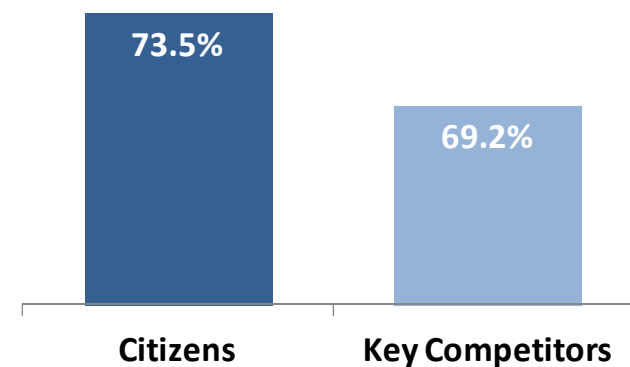
Note: Home lending shares based on internal research, auto share based on Experian AutoCount

2 Our strong value proposition...

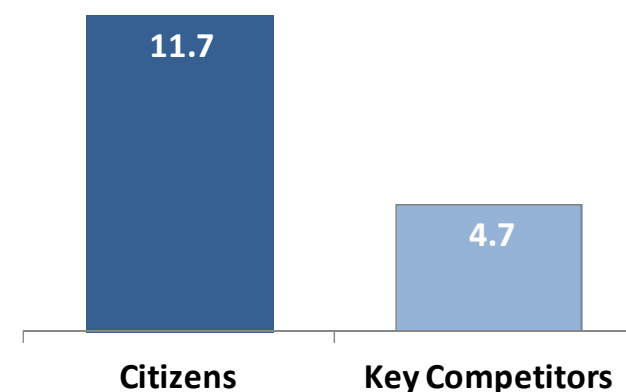
Customers are offered the best of both worlds:
Personal service of a local community bank and the conveniences of a larger bank

- 3.5 million customer relationship review sessions with recommendations performed last year
- Customer Commitments developed and rolled out in Q4 11
- 7 day banking offered with extended hours
- Expansive ATM distribution
- 24/7 phone support
- Mobile banking capabilities – iPhone and Android; iPad in development

Customer Satisfaction



Net Promoter Score



Key competitors include BofA, Sovereign, Webster, TD Bank, PNC, Wells, M&T, Dollar Bank, First Niagara, Key, Chase, Citi, Trustco, Comerica, Harris

*Source: Kantum Research, data represents a six quarter average

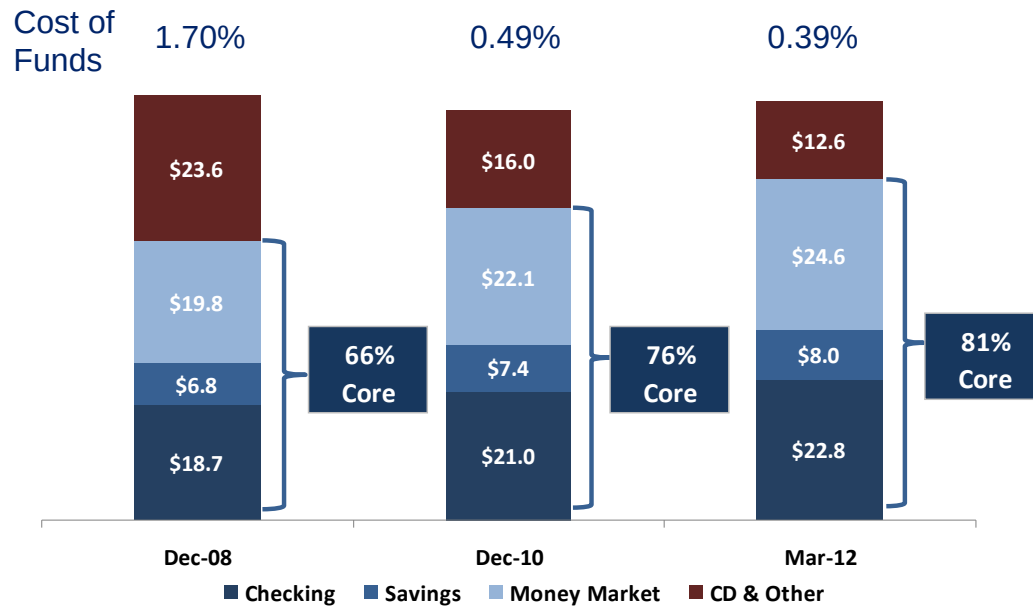


2 ...has resulted in core product growth...

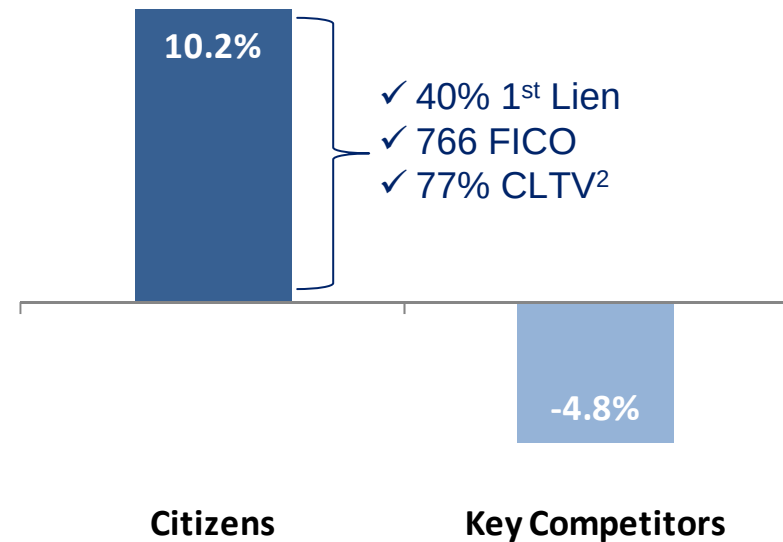
Significantly improved deposit mix and cost of funds by focusing on core customers

HELOC¹ portfolio continues to grow while most banks were forced to pull back

Average Retail Deposits
(in billions)



Growth in HELOC Outstandings
(Q1'12 vs. Q1'11)

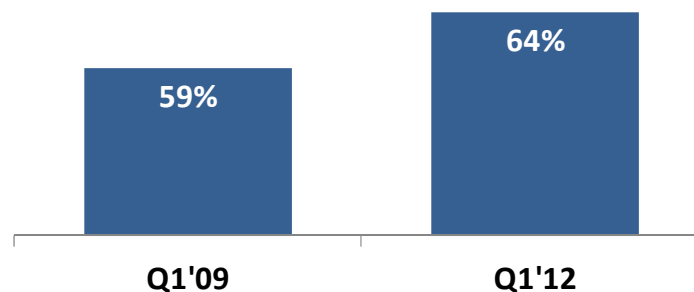


¹ Home Equity Lines of Credit. ² Combined loan to value. Key competitors based on call reports and represents weighted average growth; Citizens excludes purchased portfolios

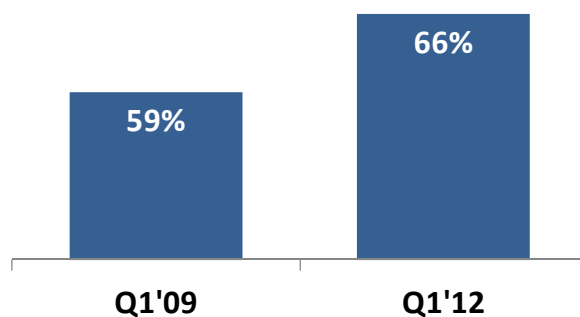
2 ...and is deepening customer relationships

Strategy focused on driving primary bank relationships measured by active checking and depth of relationship

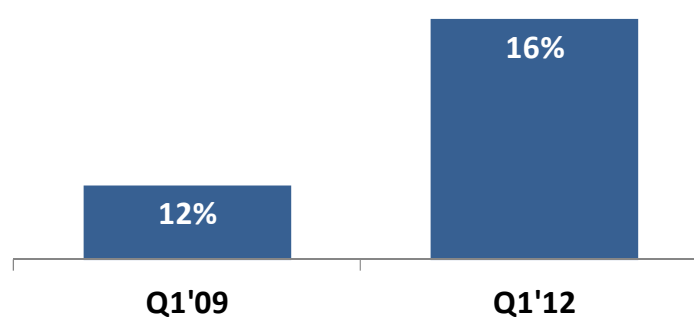
Active Checking Mix



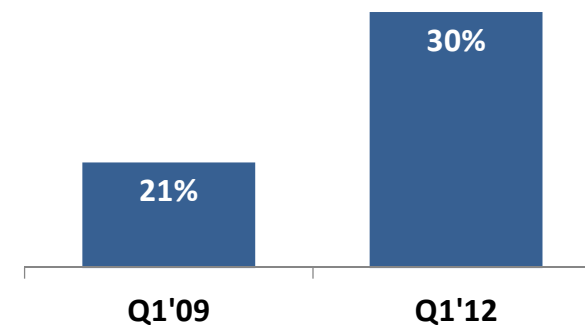
Direct deposit penetration continues to improve...



...along with the mix of active online bill pay households...



...and deposit customers with a loan relationship

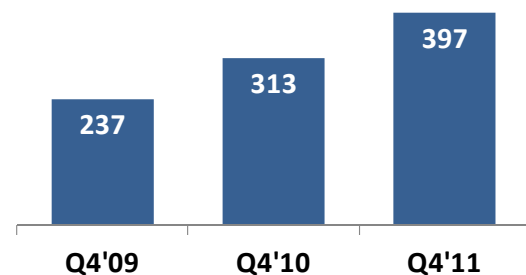


2 We are building out underpenetrated markets

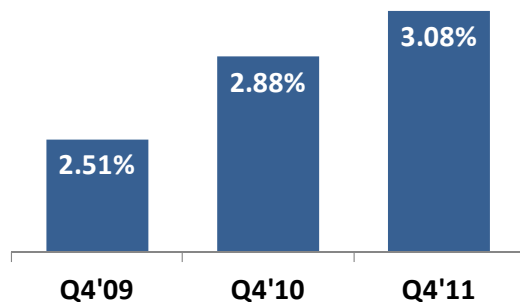
Mortgage

- Expansion of loan officer channel
- Implement new origination platform

Loan Officers



Market Share*

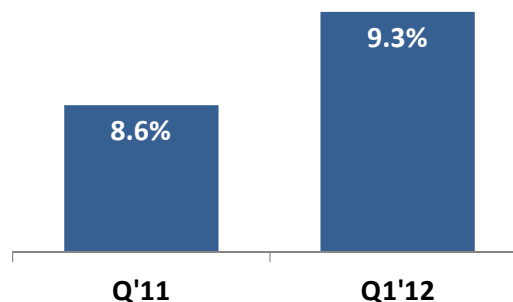


*Source: internal research for retail footprint originations

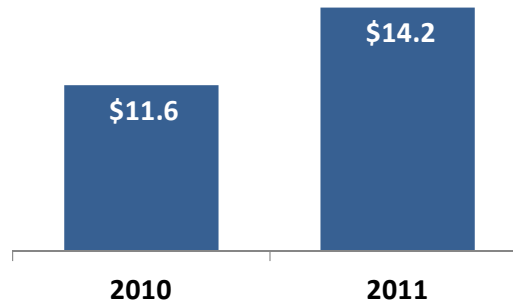
Business Banking

- Improve loan penetration
- Focus on cross sell and cash management

Loan Penetration



Cross Sell Revenue (\$ millions)

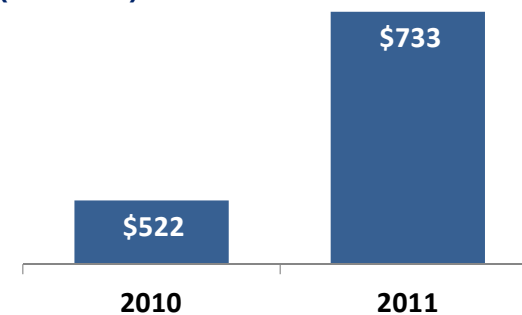


Business Banking includes companies with <\$5MM in annual sales

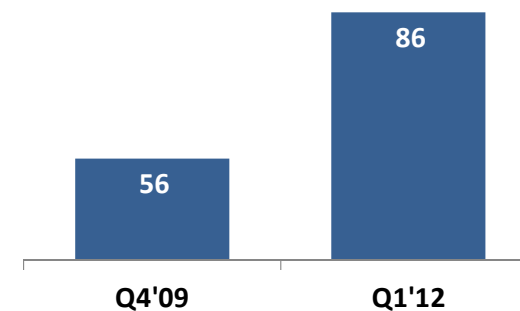
Wealth Management

- Expand premier bankers and capture private client opportunity
- Realign sales model to better serve client segments

Premier / Private Client Originations* (\$ millions)



Premier / Private Client Bankers



*Includes mortgage, home equity, deposit and investments

2 We invest in initiatives that strengthen our value proposition...

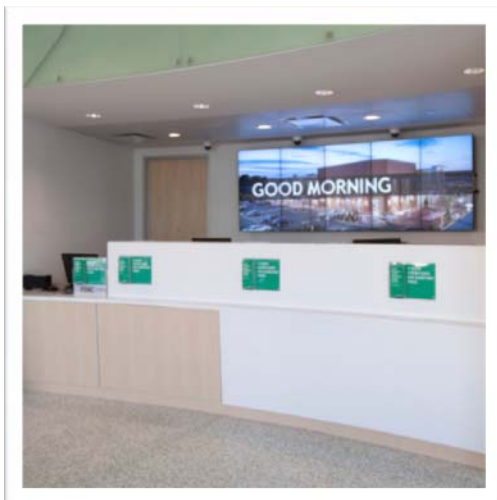
Project	Description	2011-15 Contribution ¹
BRANCH IMAGE CAPTURE	■ Replacement of the 25 year old branch teller platform ■ Paperless processing will streamline operations and improve customer experience	\$85M
AUTO FINANCE	■ Replacement of 20-year old origination platform ■ Allows for more granular credit and pricing strategies	\$45M
EMPOWER.NET	■ Replacement of paper intensive mortgage platform ■ Streamline processing and fulfillment to reduce cycle times	\$25M
NEW AGENT DESKTOP	■ Integration of 45 customer service applications to provide call center agents with a complete view of a customer's relationship	\$39M
UPGRADE ATM NETWORK	■ Roll out 1600+ Intelligent Deposit Machines ■ Upgrade 400+ ATMs	\$80M

¹Revenue minus run-rate cost.



2 ...and prepare us for the future

Evaluating new branch concepts for potential traditional and in-store branch upgrades



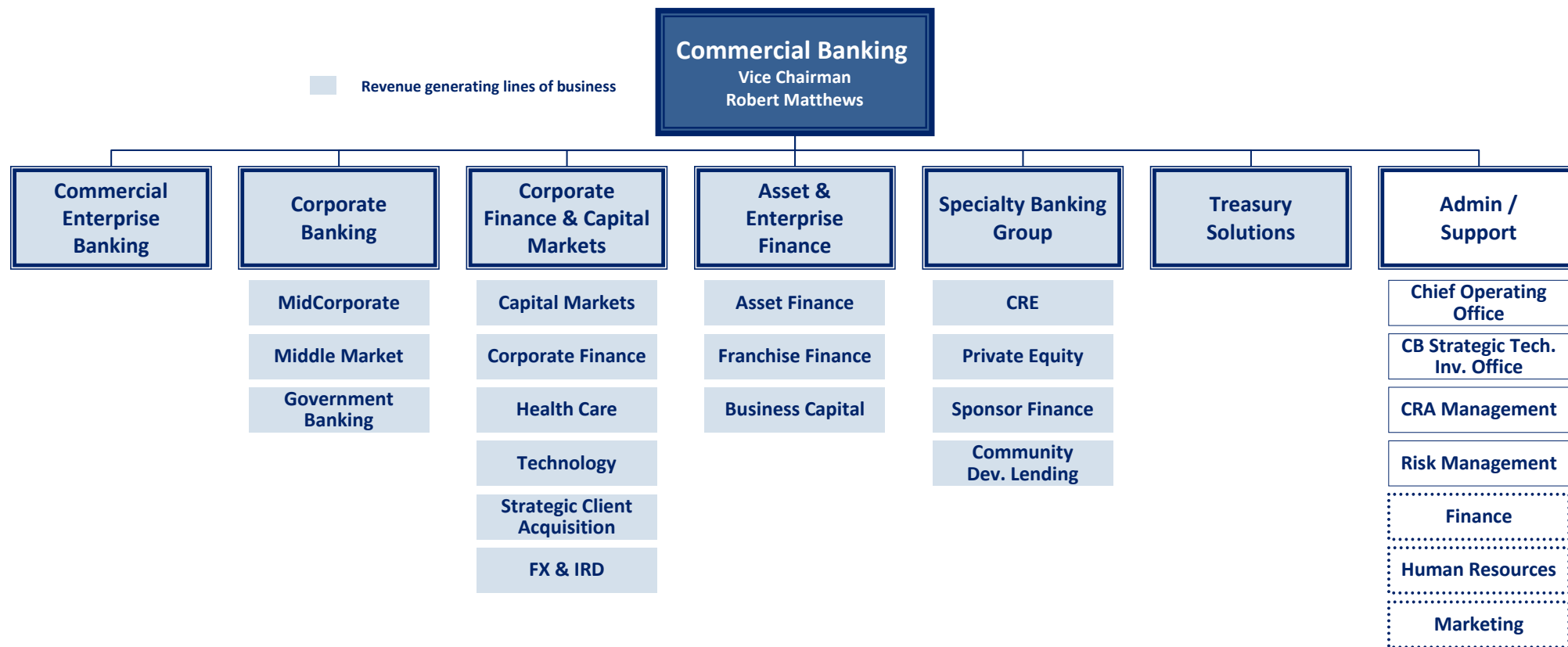
- Branches are brighter, with better traffic flow, and offer faster service
- The branches seek to maximize every point of customer interaction
- Offers video conferencing with specialists to drive sales and improve the customer experience

3. Commercial Banking

Robert Matthews, Vice Chairman

3 Commercial Banking structure has been optimized...

Significant reorganization and investment has optimized operating efficiencies in our core and specialized businesses



- Target market: companies with annual revenues of \$5MM - \$2BN
- Provides full complement of financial solutions including credit, liquidity management, FX & interest rate risk management, capital markets and corporate finance

3 ...with performance illustrating material growth

Financial performance to date highlights positive trajectories

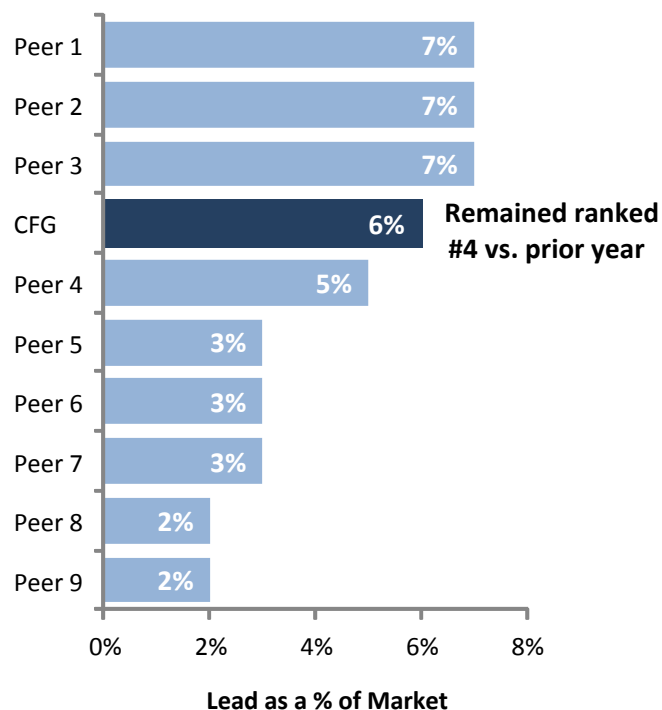
US GAAP		FY 10 Actual	FY 11 Actual	B/(W) % FY 11 vs. 10
Spot Balance Sheet \$BN	Total Loans	29.4	33.4	14%
	Non Interest Bearing Deposits	8.4	10.6	25%
	Total Deposits	21.2	20.4	(4%)
Income Statement \$MM	Fee Income	329	369	12%
	Total Revenue	1,362	1,379	1%
	Total Expenses	(674)	(699)	(4%)
	Loan Impairment	(245)	(119)	51%

- The Commercial Banking organization generated \$1.4 billion in revenue in 2011
- Strong commercial loan growth despite fierce competition for high quality commercial loans
- Fee income improved as Commercial Banking capabilities improved, and the amount of capital markets transactions more than doubled in 2011 (40 transactions in 2010 to 87 transactions in 2011)

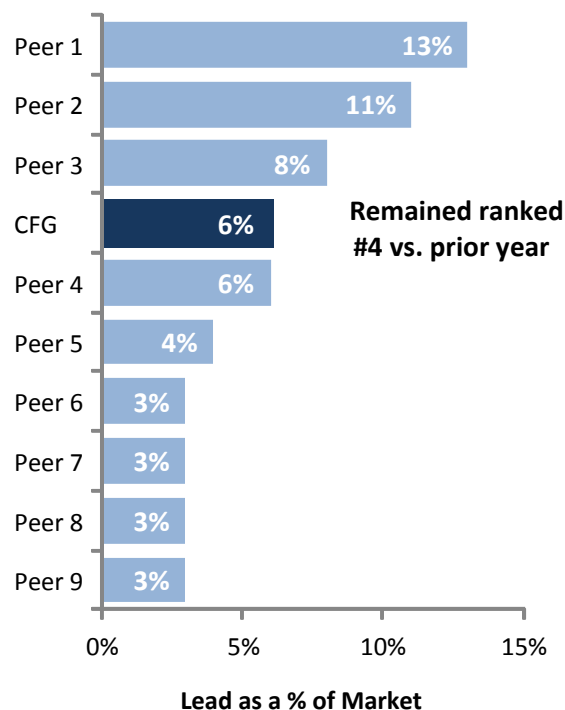
3 We have a strong presence in our footprint...

Commercial holds a top 5 ranking in our core products in the footprint and continues to improve its Capital Markets (bookrunner) capabilities

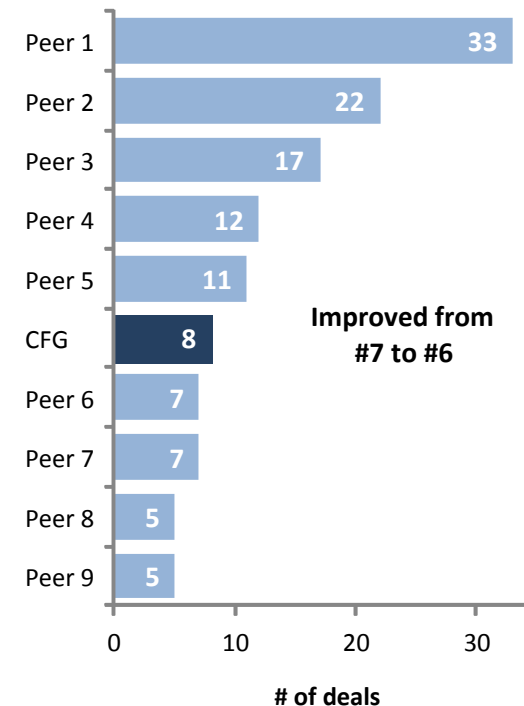
**Commercial Enterprise Banking
Lead Relationship¹**



**Middle Market
Lead Relationship¹**



**Middle Market
Bookrunner Ranking²**



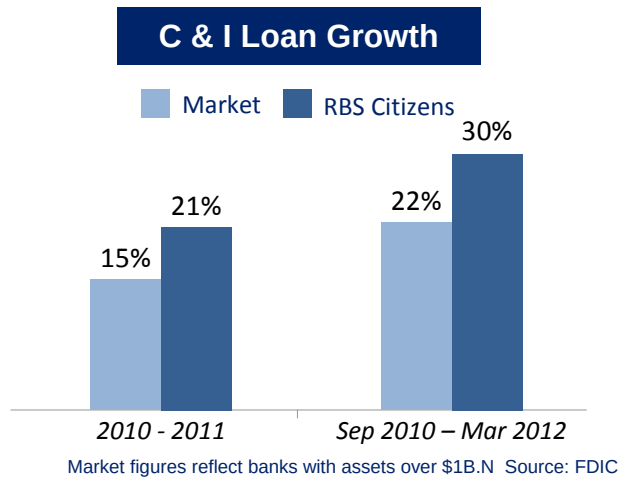
Note: Rankings are based on top the 10 banks within our footprint (Q411 vs. Q410)

¹ Source: 2011 Greenwich Associates Market Tracking Program (Citizens Bank – Footprint - \$5-25MM & \$25-500MM – Full Year 2011).

² Source: Thompson Reuters 2Q12 Middle Market Outlook, 1Q12 League Tables (April 2012)

3 ...and are growing the business

Commercial Banking has outpaced the market average in loan growth, differentiating itself from competitors by adding value to clients' businesses through quality ideas and solutions

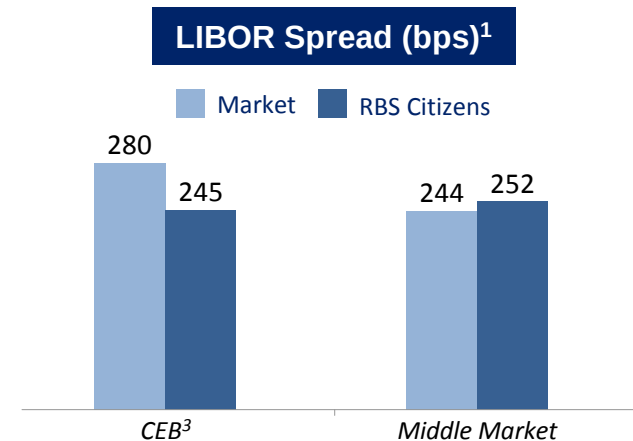


STANDARD & POOR'S ASSESSMENT

- *"Citizens has grown its C&I loans at a steady pace of 4.5% over the past two quarters and achieving **C&I loan growth of 30% since 2010**. The aggregate market grew just 22% over the same timeframe."*¹
- *"Results underscore focus on adding value to clients' businesses and differentiation from competitors based on quality of ideas and solutions"*²

¹S&P Commercial Loan Market Trends, May 2012

²S&P Commercial Loan Market Update, February 2012. ³ Commercial Enterprise Banking.

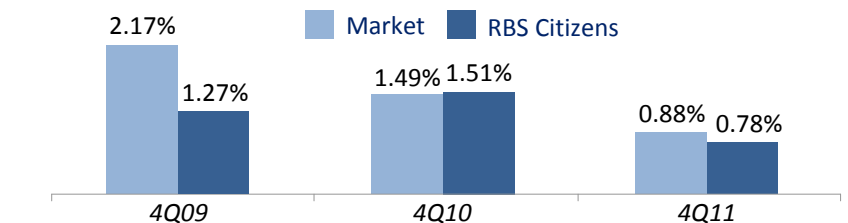


*4Q11 data; analysis reflects CEB³ & Middle Market LIBOR-based originations, and does not include renewals.

STANDARD & POOR'S ASSESSMENT

- *"CEB³ wins better-quality originations [while Middle Market] maintains stronger discipline in pricing for risk than its peers."*¹

Commercial Lending (C&I) / Peers Nonperforming, %



Source: SNL Financial Regulatory CEB: Commercial Enterprise Banking (\$5-\$25MM annual sales)

3 We are investing in our people and infrastructure...

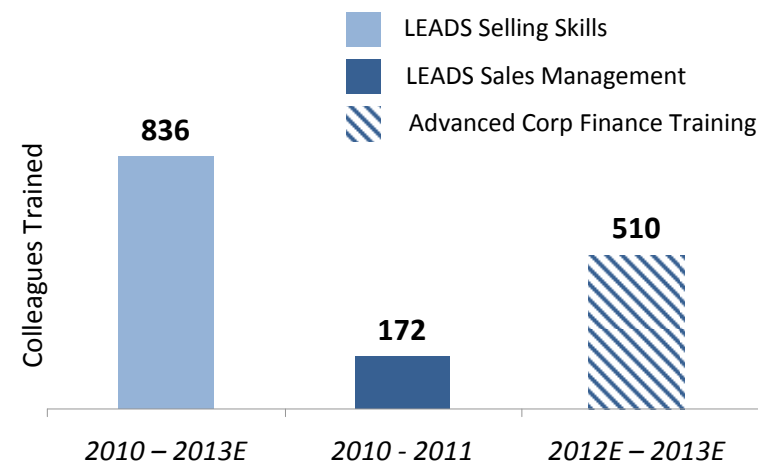
Strategic actions over the last 18 months have improved operating efficiencies, realigned resources, increased support, and empowered colleagues to be leaders

- **LEADS Sales Training**

Enhancing Relationship, Product Partner & Portfolio Manager sales skills to better identify, close & manage new business

- **Corporate Finance Solutions**

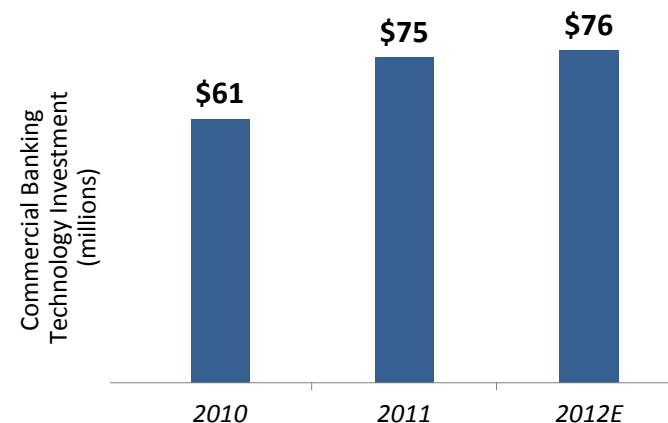
Developing specialized skills to elevate Relationship Manager to Trusted Advisor status & deliver a broad range of sophisticated solutions



- **New Strategic Technology Investment Office**

ensures that the proper systems are being developed and channels to support delivery. Major projects include:

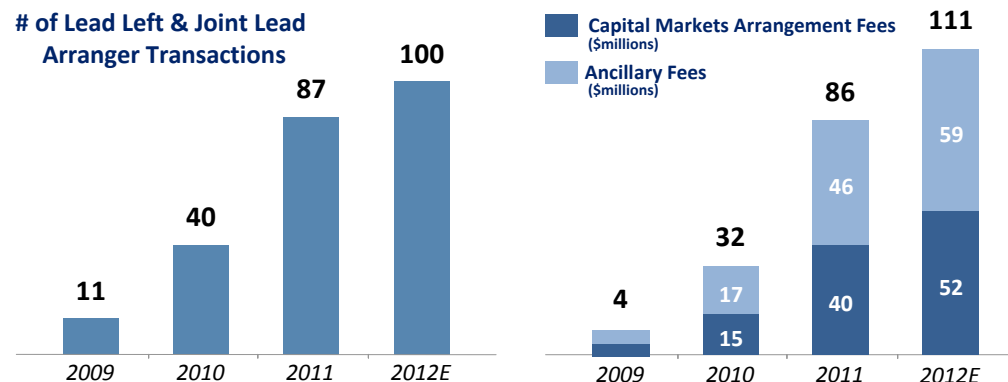
- New commercial loan platform will reduce manual effort, improve data quality, and increase the speed to market
- Credit File Imaging, a Commercial Banking-wide project to streamline the record-keeping process



3 ...while improving our product capabilities

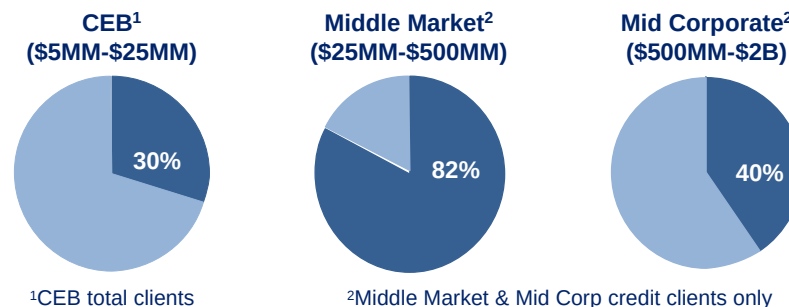
We will deepen client relationships by sustaining momentum with capital markets, improving our cash management capabilities and providing timely & relevant corporate finance solutions

- Expanding **Capital Markets** capabilities
- Booking more lead position deals resulting in an increase in fee income
- On average, cross-sell revenue from a Lead Arranger win is 1.14x the fee earned



- Treasury Solutions integration – allowing us to:
 - Respond more quickly to clients' diverse needs
 - Be positioned as clients' primary banking partner
 - Improve connectivity
- \$81MM being invested to improve Cash Management penetration

■ Cash Management Penetration



- Signed referral agreement with **Oppenheimer & Company** to address the corporate finance needs of our CEB and Middle Market clients (M&A, joint venture, divestitures & common equity underwriting)



¹ Commercial Enterprise Banking.

3 Our clients are taking notice

Client metrics indicate strong performance against national competitors

 GREENWICH ASSOCIATES		Commercial Enterprise Banking			Middle Market		
		2010	2011	Rank vs. Comp.	2010	2011	Rank vs. Comp.
Relationship Manager	Loyalty - Likelihood to Recommend	62%	81% ↑	1	66%	90% ↑	1
	Proactively Provides Advice & Solutions	59%	75% ↑	1	69%	84% ↑	1
	Effectively Coordinating Product Specialists	58%	79% ↑	1	71%	83% ↑	Tied 1
Client Loyalty & Net Promoter	Overall Client Loyalty	73%	75% ↑	4	73%	80% ↑	1
	Net Promoter	24%	35% ↑	1	20%	39% ↑	1
Treasury Management	Product Capabilities	80%	80% ▬	Tied 3	72%	86% ↑	Tied 1
	Accuracy of Operations	81%	85% ↑	Tied 2	83%	92% ↑	1
	Client Service	79%	90% ↑	1	82%	90% ↑	2
Competitors: BoA, JPM, TD & PNC				Competitors: BoA, JPM, PNC, Wells/Wach			

*Source: 2011 Greenwich Associates Market Tracking Program (Citizens Bank – Footprint - \$5-25MM & \$25-\$500MM – Full Year 2011). "Overall Client Loyalty" and "Net Promoter" from Greenwich Assoc. Discrete Q Metrics



4. Financial Performance

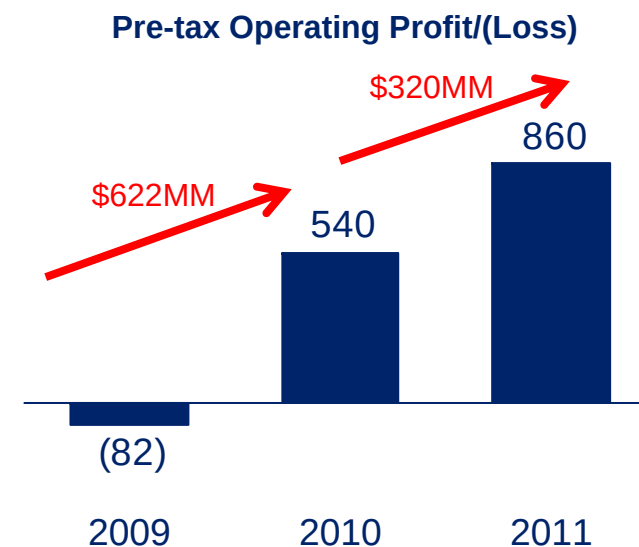
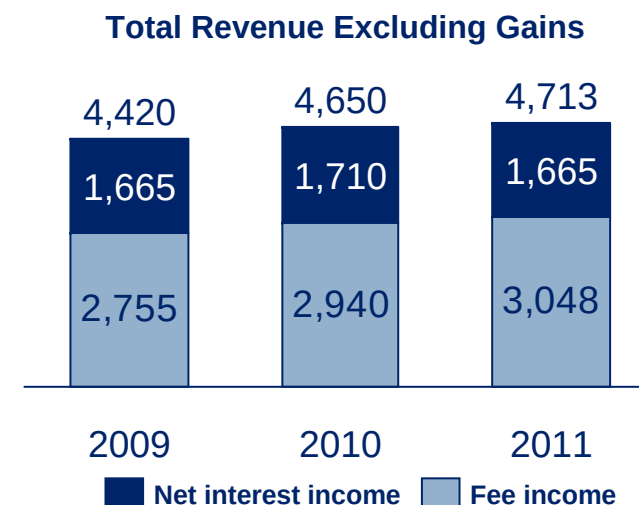
John Fawcett, Chief Financial Officer

4 Good sustainable progress in spite of a very challenging economic backdrop

Core US R&C - IFRS

\$MM	FY09	FY10	FY11	B/(W) vs. prior yr	
				\$	%
Total Revenue	4,458	4,732	4,871	139	3%
Total Expenses	(3,436)	(3,390)	(3,488)	(98)	(3%)
PBIL ¹	1,022	1,342	1,383	41	3%
Impairments	(1,104)	(802)	(524)	279	35%
Operating profit/(loss) ²	(82)	540	860	320	59%

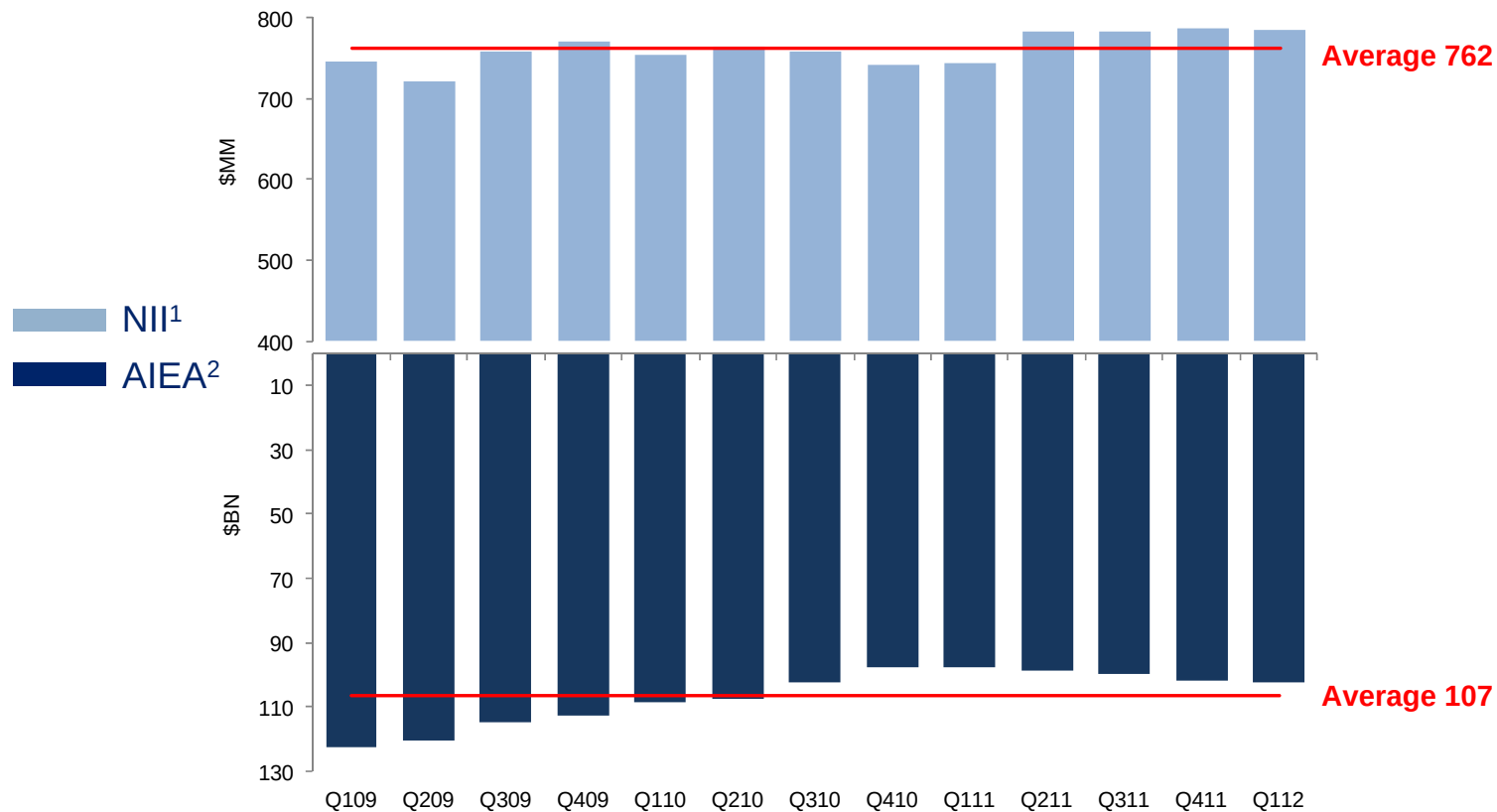
Average balance sheet (\$BN)	FY09	FY10	FY11
Loans & leases	84.8	76.8	76.6
Earning assets	117.5	104.1	99.6
Customer deposits ³	98.6	94.6	91.4
RWA (spot) ⁴	97.5	89.1	91.8
LDR (net) ⁵	80%	81%	85%
C:I Ratio	77.1%	71.6%	71.6%
RoE (9% avg RWA)	(0.6%)	4.0%	7.0%
RoE (10% avg RWA)	(0.6%)	3.6%	6.3%
FTE (December)	15,680	15,923	15,392
NIM % (incl allocations)	2.34%	2.82%	3.06%
NIM % (ex allocations)	2.55%	2.90%	3.11%



¹ Pre-tax profit before impairment losses. ² Pre-tax. ³ Deposits excluding repos. ⁴ Spot RWAs including allocations. ⁵ Net loans, deposits excluding repos.

4 Stabilized net interest income with a smaller and de-risked balance sheet

Core US R&C - IFRS

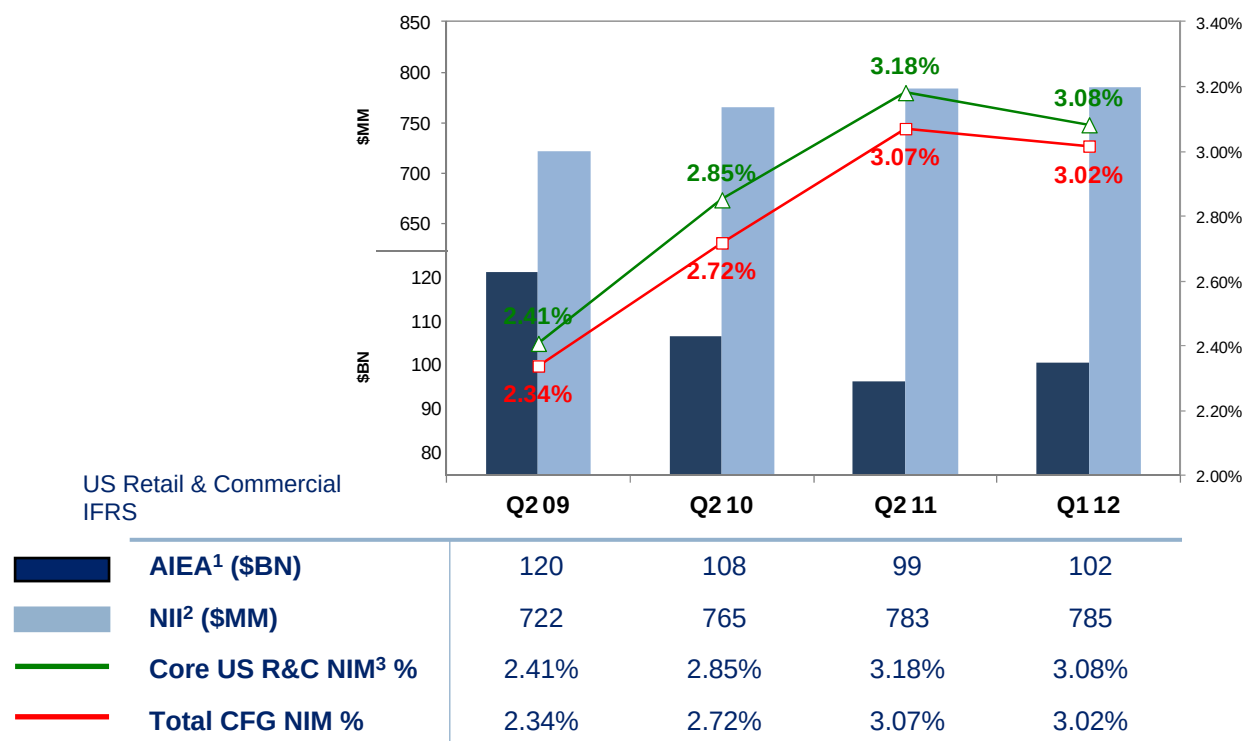


	2009				2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
NII ¹ (\$MM)	746	722	757	771	754	765	758	742	745	783	784	788	785
AIEA ² (\$BN)	122	120	115	113	109	108	102	98	98	99	100	102	102

¹ Excludes RBS treasury allocation. ² Average Interest Earning Assets.



4 Net Interest Margin stable and closing the gap with peers



Peer NIM Ranking⁴

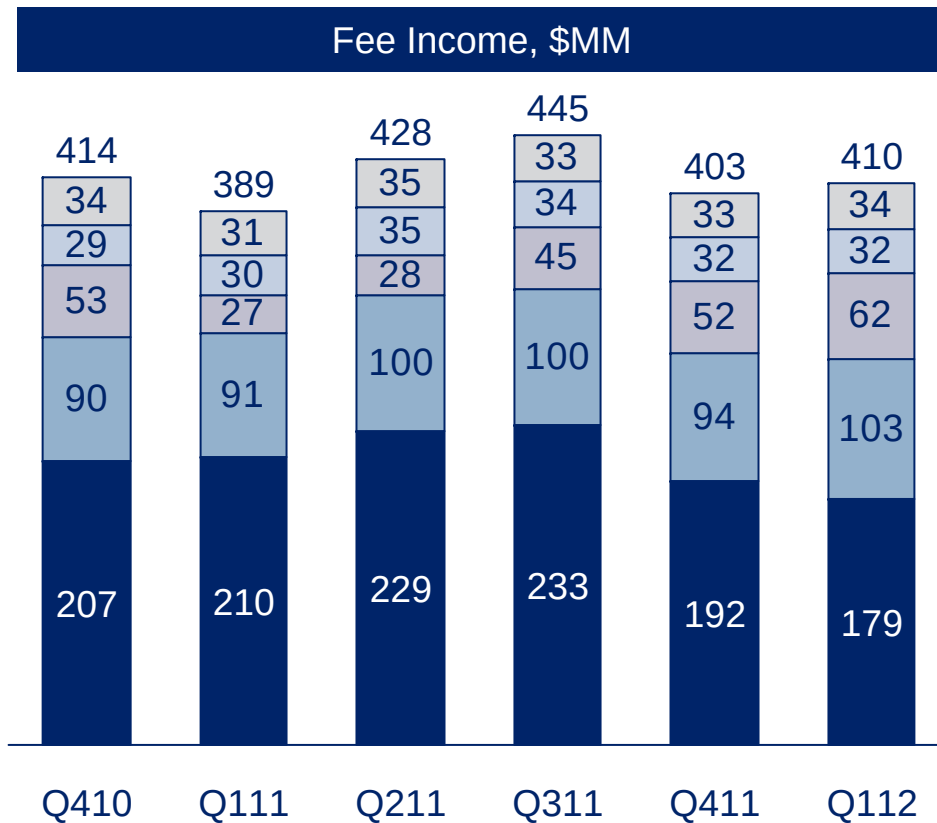
	Q4'11	Q1'12	B/(W) bps
BB&T	4.04%	3.92%	(13)
PNC	3.90%	3.91%	1
M&T Bank	3.63%	3.67%	4
Fifth Third	3.70%	3.59%	(10)
US Bancorp	3.62%	3.59%	(4)
Peer Avg	3.53%	3.50%	(3)
SunTrust	3.49%	3.47%	(2)
Comerica	3.20%	3.16%	(4)
KeyCorp	3.11%	3.13%	2
Regions	3.11%	3.07%	(4)
Citizens	2.95%	2.96%	1

- Improvement driven by:
 - Deposit re-pricing
 - Change in deposit mix
 - Run down of expensive legacy fixed rate funding
- Outlook broadly stable but challenged

¹ Average interest earning assets. ² Excludes RBS Treasury Allocation. ³ NIM reported here is Q209, Q210 and Q211, vs. FY09, FY10 and FY11 reported on p34. ⁴ SNL Financial GAAP data.

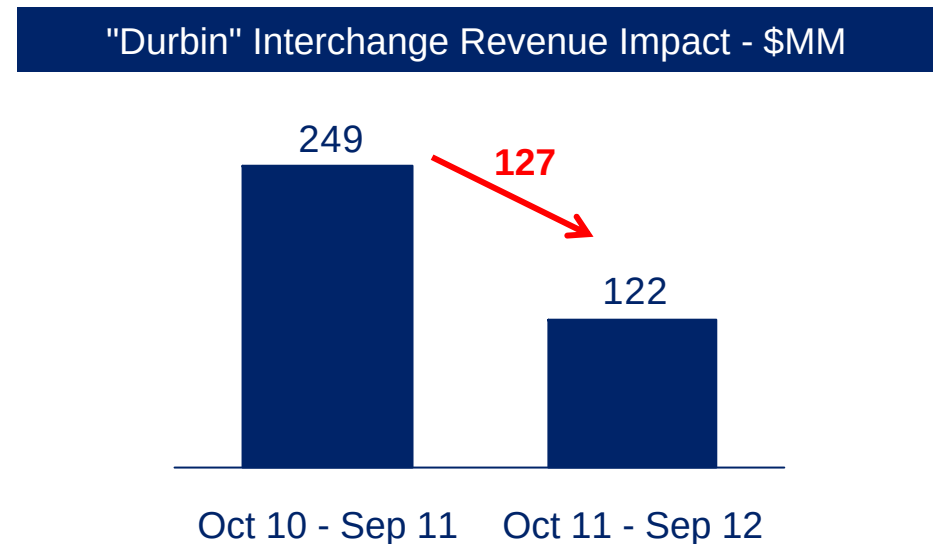
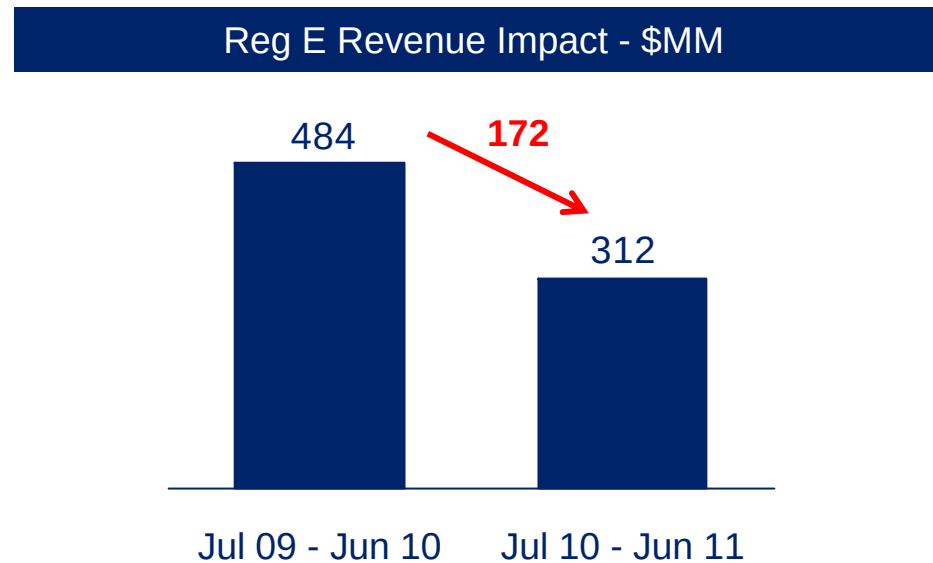
Fee income stable but constrained by regulation

Core US R&C - IFRS



■ International/Derivatives ■ Merchant/Card/All other
 ■ Investment Services/Trust ■ Deposit/ATM/Debit
 ■ Mortgage Fees

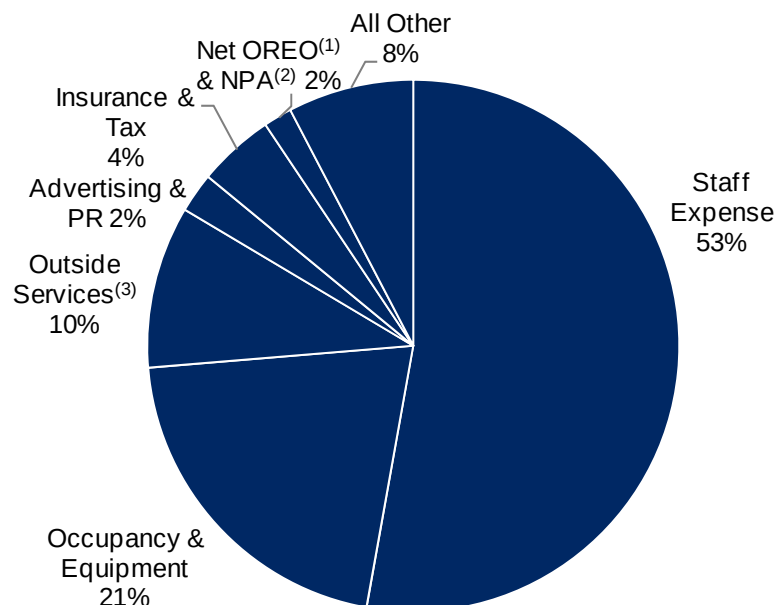
- Strong mortgage fee growth
- Investment in Capital Markets activities



4 Expense Analysis – Q1 2012

Citizens – US GAAP

Expenses



¹ OREO - Other Real Estate Owned

² NPA – Non performing Assets

³ Outside Services includes Services or other business processes that are outsourced to 3rd party vendors rather than employing staff

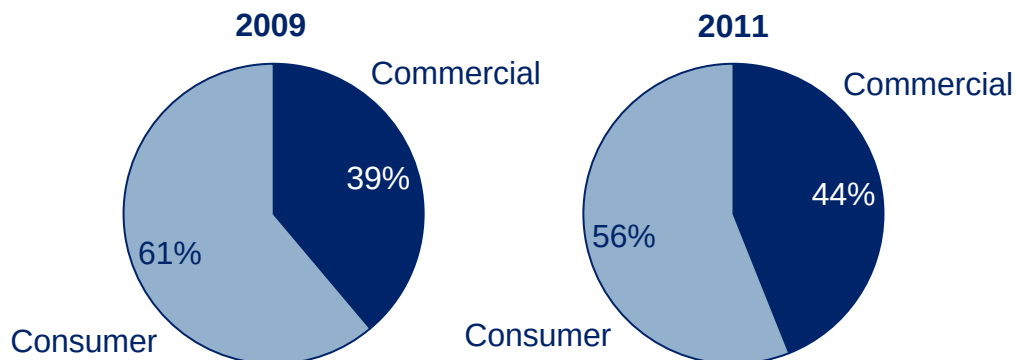
Expense / Earning Assets

	Q1 '12 (annualized) Peer Avg 3.94%	Change	
		Q4'11	Q4'11
Comerica	3.08%	3.17%	0.09%
Regions	3.34%	4.01%	0.67%
US Bancorp	3.41%	3.65%	0.24%
Citizens	3.45%	3.16%	-0.29%
BB&T	3.65%	4.35%	0.70%
M&T Bank	3.73%	4.21%	0.48%
PNC Financial	3.82%	4.56%	0.74%
KeyCorp	3.94%	3.96%	0.02%
Fifth Third	3.98%	4.00%	0.02%
SunTrust	4.00%	4.63%	0.63%

4 Reshaping our Balance Sheet

Loans

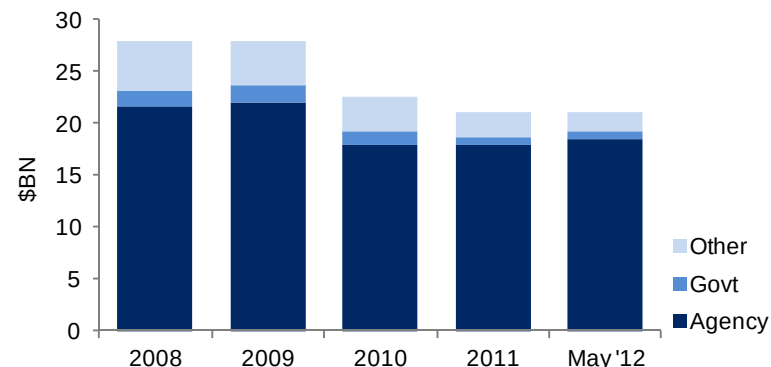
US R&C IFRS – AVG



■ Transitioning to a larger commercial mix

AFS Investment Portfolio

Citizens IFRS – AVG \$BN



■ 91% Government guaranteed

Deposits

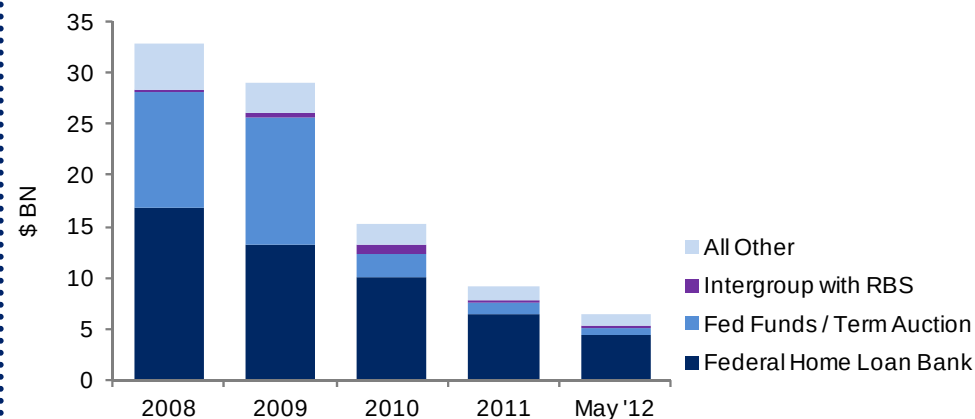
Citizens IFRS – AVG \$BN



■ Pricing has driven positive change in mix and cost

Wholesale Funding

Citizens IFRS – AVG



■ Reliance on borrowed funds is at an all-time low

Non-Core Loan Portfolio

Manageable and in steady decline

Non-Core End of Period Loans

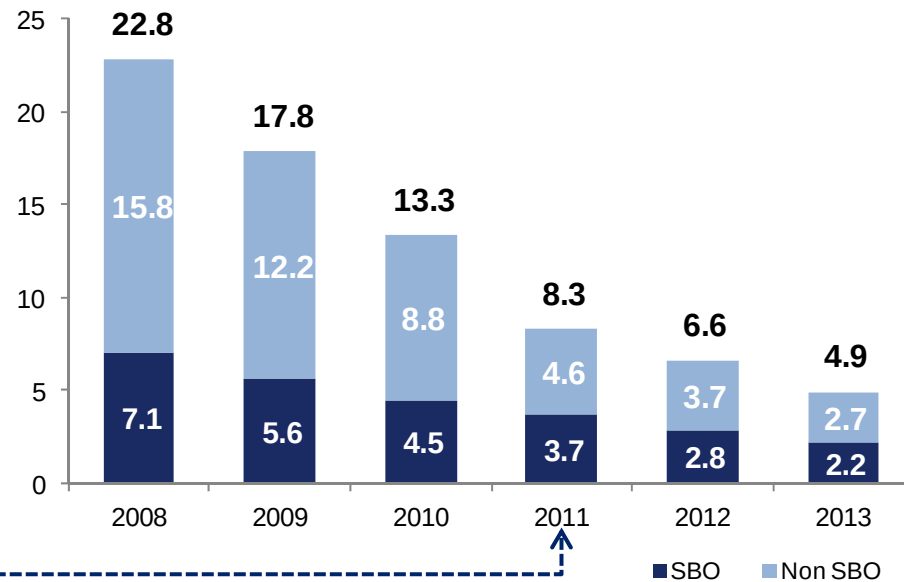
as of December 2011 (Spot) \$BN

SBO ¹	3.7
Home Lending Solutions	1.2
Student Lending	1.2
Indirect Auto	0.1
Credit Cards	0.1
Consumer Banking Non Core	6.4
CRE	1.5
Commercial Markets	0.3
Dealer Finance	0.1
Commercial Banking Non Core	1.9

Non Core US Banking **8.3**

Current balance represents 9% of total loan portfolio

Non-Core End of Period Loan Projections - \$BN (2012 budget)

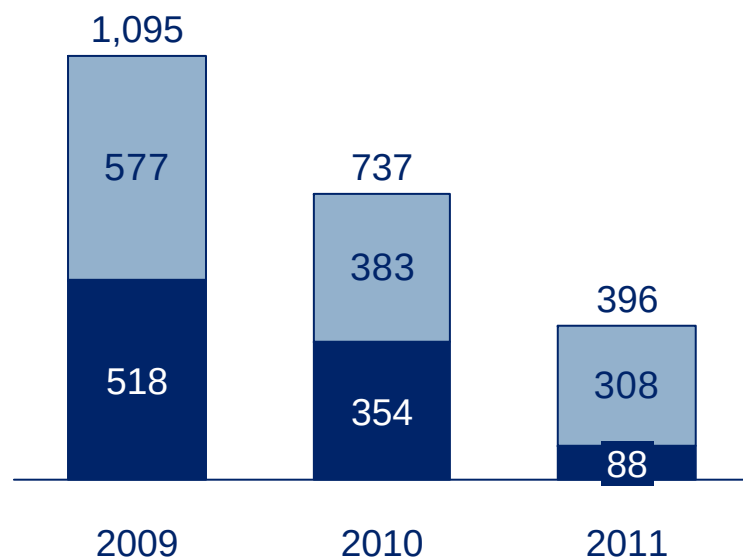


¹ SBO = Serviced by others

4 Credit remains strong ...

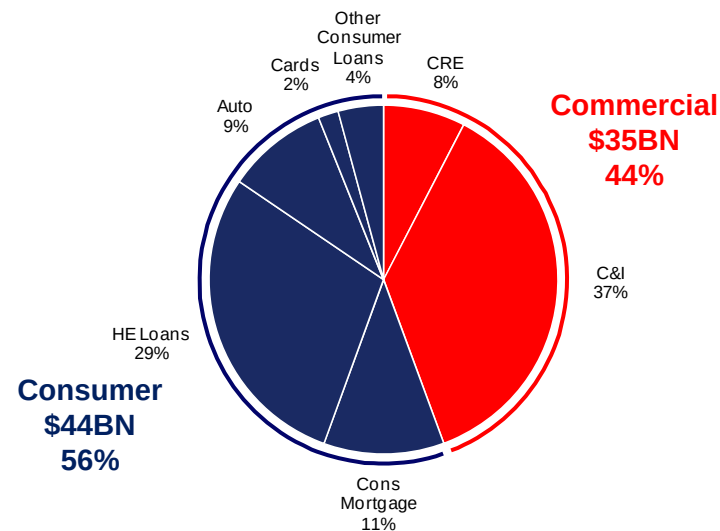
Core US R&C – US GAAP

Loan Impairment by Product¹, \$MM



Consumer Commercial²

Q1 12 – Average Loans - \$79BN



Net Charge Offs

	\$MM		FY 09		FY 10		FY 11		Q1 12		
			\$	bps	\$	bps	\$	bps	\$	bps	Avg Bal
Specialty Banking	39.4	0.54%	112.2	1.61%	50.0	↓ 0.79%	2.1	0.14%	6,306		
All Other Commercial	234.1	1.01%	131.9	0.61%	68.5	↓ 0.27%	10.8	0.16%	27,500		
Total Commercial Loans	273.5	0.90%	244.1	0.85%	118.5	↓ 0.38%	12.9	0.15%	33,806		
Business Banking	72.0	4.19%	52.4	3.21%	42.8	↓ 2.94%	7.3	2.13%	1,373		
Automobile	91.0	1.00%	35.9	0.46%	9.7	↓ 0.13%	0.4	0.02%	7,444		
Home Equity	149.9	0.57%	181.2	0.74%	174.6	↑ 0.75%	39.2	0.69%	22,879		
Credit Cards	41.8	3.29%	82.7	6.51%	54.8	↓ 4.34%	11.4	3.44%	1,330		
Student Loans	(0.0)	(0.00%)	0.2	0.01%	1.4	↑ 0.13%	0.5	0.14%	1,332		
RV / Marine	-	NA	-	NA	11.8	2.97%	8.2	2.21%	1,478		
Residential Mortgages	70.6	0.62%	75.2	0.81%	57.5	↓ 0.66%	12.3	0.56%	8,822		
Overdrafts	35.7	NA	30.4	NA	23.4	NA	6.2	NA	NA		
All Other Consumer	28.4	4.42%	24.1	4.01%	18.4	↓ 3.23%	4.7	3.34%	563		
Total Consumer	489.4	0.93%	482.1	1.03%	394.3	↓ 0.89%	90.2	0.80%	45,221		
Net Charge-offs	762.9	0.92%	726.2	0.96%	512.8	↓ 0.68%	103.2	0.52%	79,027		

¹ Does not include OTTI and IFRS impact of \$9MM, \$66MM, and \$128MM, respectively

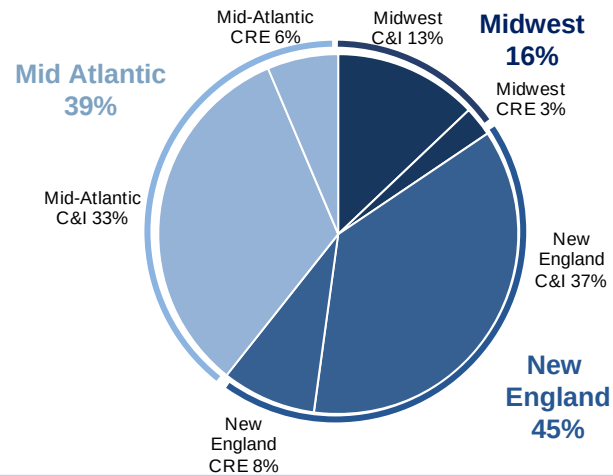
² Business Banking included in Commercial

...driven by good geographic distribution and sound underwriting

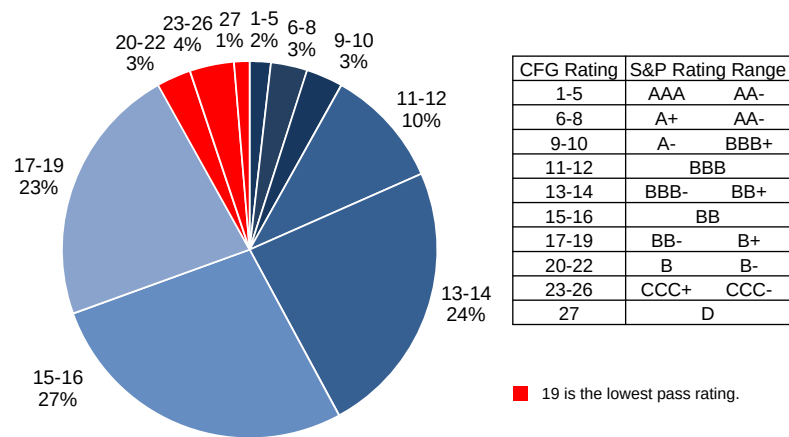
Core US R&C – US GAAP
Q1 2012

Wholesale Credit

Distribution by Region

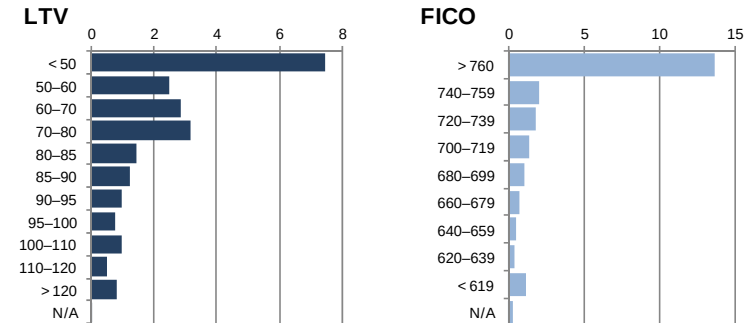


Distribution by Risk Rating

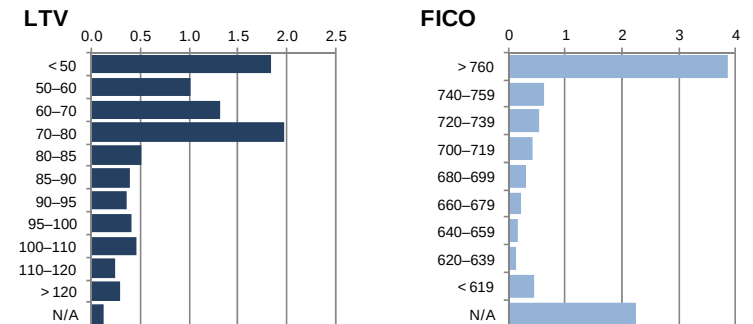


Retail Credit - (\$BN)

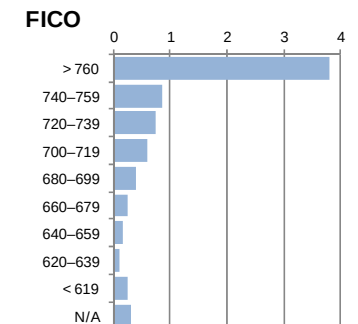
Home Equity



Residential Mortgage



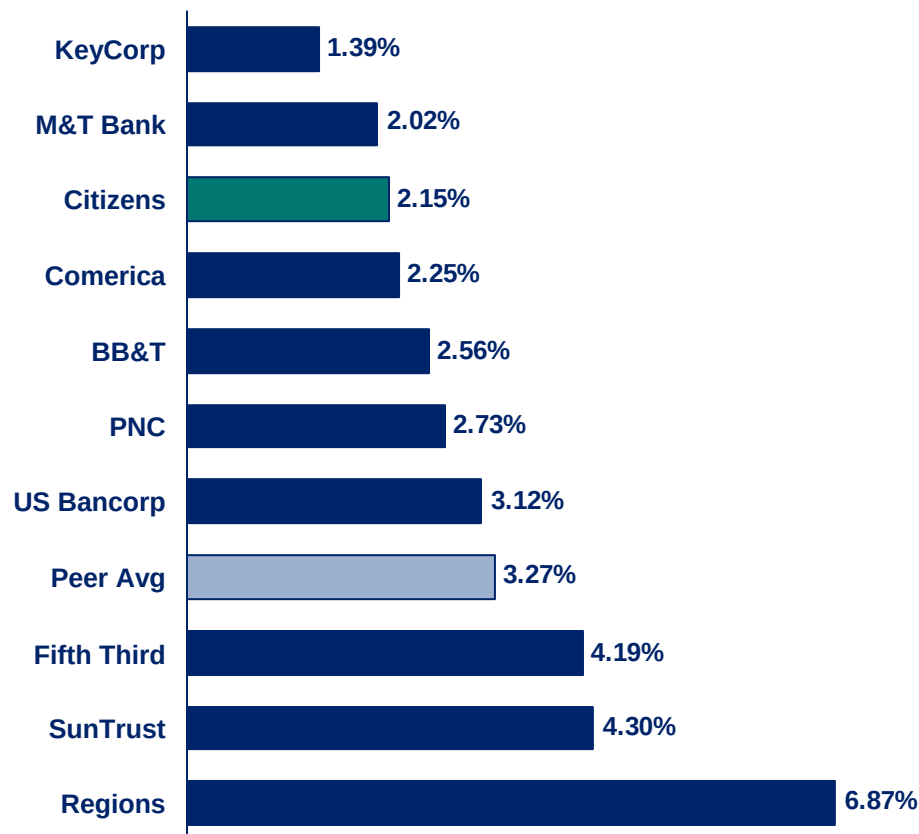
Auto



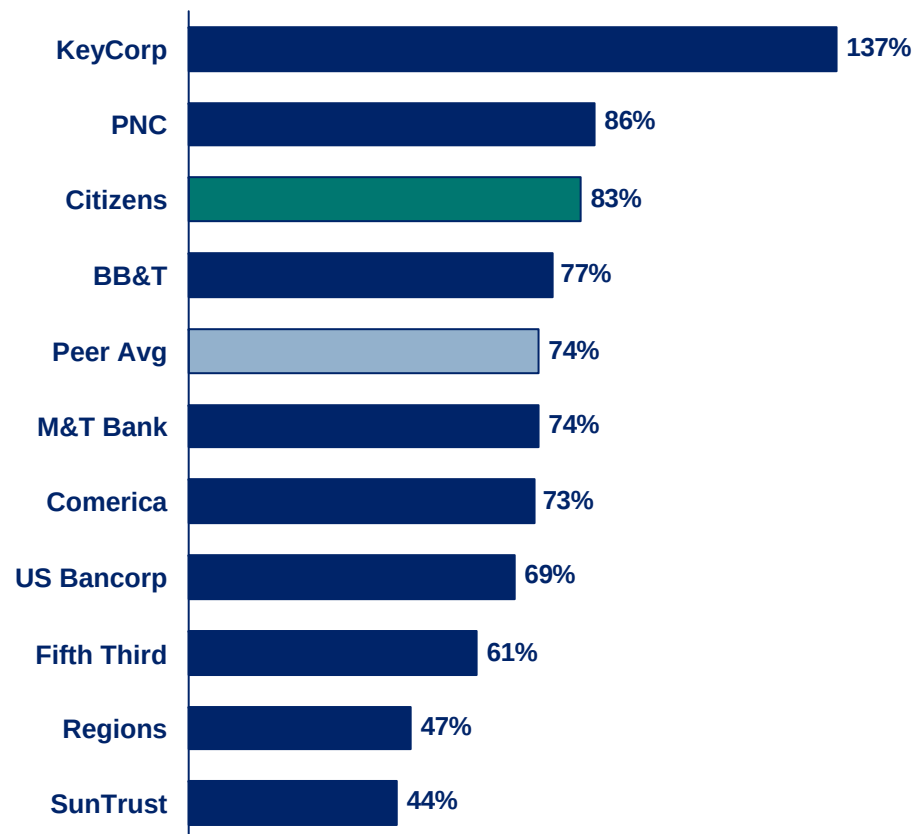
4 We have strong asset quality ...

Citizens – US GAAP
Q1 2012

NPLs/Loans %



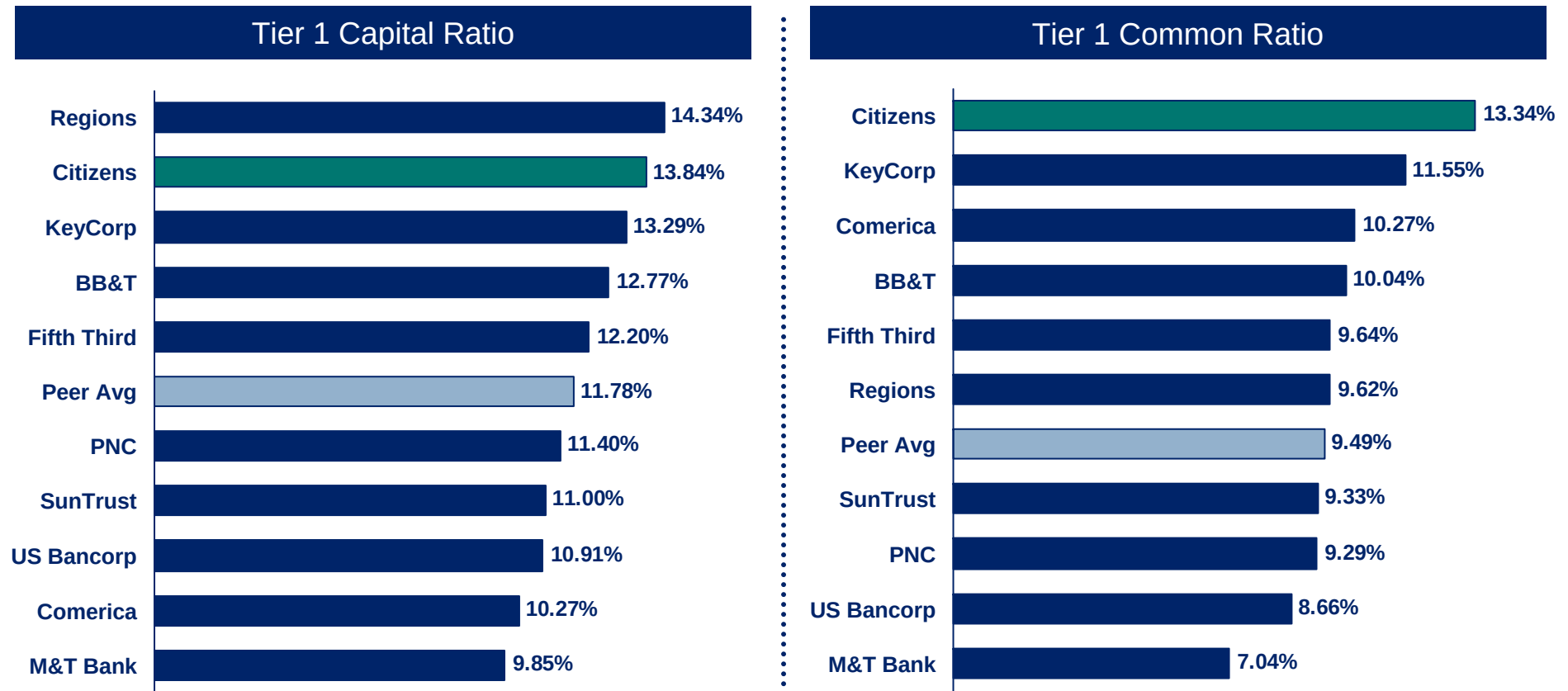
Reserves/NPLs %



Source: SNL Financial

4 ...and we are well capitalized versus peers

Citizens – US GAAP
Q1 2012



- In March 2012, Citizens received a "no objection" to initial CapPR (Capital Plan Review) submission of January 9, 2012
- First regular quarterly dividend since 2008 was effected Q2 '12, along with \$200MM repurchase of a trust preferred issue held by RBSG
- Citizens moved into CCAR (Comprehensive Capital Analysis and Review) bank pool. Next submission due January 5, 2013
- Capital actions likely will remain bound by US Fed guidance around dividends and cross border capital flows

Source: SNL Financial

5. Summary

Ellen Alemany, Chief Executive Officer

5 US R&C is a key component of RBS Group

A compelling franchise

- 12th largest bank in the US; extensive Branch, ATM, online, and mobile networks
- Self funded with strong asset quality, credit ratings and capital ratios
- Key contributor to Group's geographic and business mix diversity
- Experienced and talented leadership team embedded

Focused delivery on strategic priorities

- Significant progress in rebalancing Consumer / Commercial Banking mix
- Investment in franchise to deepen value proposition and customer relationships
- Improving NIM from pricing and strategic restructuring
- Cost discipline engrained, walk to 60% cost / income ratio established

Attractive targeted returns

- Clear pathway to delivering sustainable 12%+ ROE
- Target strong cash and capital generation
- Increasing dividend payout to Group planned

6. Appendices

6 Management Biographies (1/4)



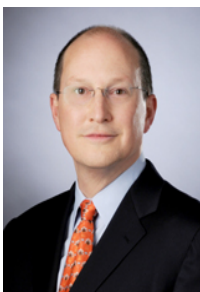
**Ellen
Alemany**

- Ellen Alemany is Head of RBS Americas and Chairman and Chief Executive Officer of Citizens Financial Group, Inc. She also is a member of the Royal Bank of Scotland Group's Executive Committee, which is the RBS Group's nine-member executive leadership team.
- She has 35 years of banking experience, spending 30 years at Citigroup where she held various positions of increasing responsibility. In September of 2011, Ms. Alemany was named the fifth Most Powerful Woman in Banking in the United States by American Banker Magazine. Forbes magazine has also named her one of the World's 100 Most Powerful Women.
- She joined RBS Americas in June 2007 from Citigroup, where she was CEO for Global Transaction Services, one of Citi's 12 publicly reported product lines.



**Brad
Conner**

- Brad Conner is Vice Chairman of the Consumer Banking division at Citizens Financial Group. He is responsible for Retail Banking, Business Banking, Wealth Management, Home Lending, Auto Finance and Education Finance as well as the Consumer Phone Bank and online channels.
- With nearly 25 years of management experience in financial services, Conner has an impressive track record of success in leading consumer finance businesses, including mortgage, home equity and student finance.
- Before joining Citizens in June 2008, Brad was President of JP Morgan Chase & Co.'s Home Equity and Mortgage Home Loan Direct business, headquartered in Phoenix, Arizona.



**Robert
Matthews**

- Robert Matthews is Vice Chairman of Citizens Financial Group, Inc. and has responsibility for the company's Wholesale Banking activities including its Small Business, Middle Market and MidCorporate commercial & industrial coverage and Specialized Industry groups as well as product groups including Treasury Management, Capital Markets, and equipment finance & Leasing.
- He has over 25 years of experience in Commercial Banking and Corporate Finance both in the U.S. and internationally, including senior positions in Shipping Finance, Aviation and Aerospace Finance and cross-border tax-sensitized financing.
- Matthews joined the RBS Americas Executive Management team in 2007 from Citigroup.



6 Management Biographies (2/4)



**David
Bowerman**

- David Bowerman is Vice Chairman, Head of RBS Citizens Business Services with responsibility for Operations, Technology, Property, Procurement and Security across RBS entities in the Americas.
- Prior to his current position, David was Managing Director, UK & European Operations with responsibility for eight Business Services operations across many locations, and a staff of 21,000 supporting RBS's income-generating divisions.
- David joined NatWest Bank in 1982 and has undertaken a range of Retail and Corporate roles during his tenure which enabled him to gain extensive experience and build a wide portfolio of successes in leading and implementing significant cultural change and organizational strategies.



**John
Fawcett**

- John Fawcett is Chief Financial Officer for RBS Americas and Citizens Financial Group, Inc. He is responsible for creating the financial framework and functional organization to support the development and expansion of RBS's businesses in the Americas.
- Fawcett's functional responsibilities include financial planning and analysis, financial reporting, accounting policy, tax, treasury and the establishment of a capital resource allocation model.
- Fawcett joined RBS Americas from Citigroup, where he most recently served as Chief Financial Officer for the Global Transaction Services business.



**Nancy
Shanik**

- Nancy Shanik is the Chief Risk Officer of Citizens Financial Group, Inc. She oversees all enterprise risk functions including credit, compliance, regulatory and operational risk.
- Shanik is a seasoned banking and finance professional whose specialties have included structured finance, corporate restructuring, middle market finance and risk management. She ran Citigroup's top tier global restructuring business as well as serving as the Chief Credit Officer for its Global Commercial Markets business.
- She joined CFG in 2010 from Alvarez & Marsal in New York where she was a Managing Director. Before joining Alvarez and Marsal, Shanik spent three decades at Citigroup in roles of increasing responsibility.



6 Management Biographies (3/4)



**Robert
Nelson**

- Robert Nelson is Chief Administrative Officer and Head of Strategy of Citizens Financial Group, Inc. Nelson drives the development and implementation of the company's strategic plans and works closely with the other members of the senior leadership team to further enhance Citizens business performance.
- Nelson also oversees several functional areas including Legal and Human Resources.
- He joined Citizens Financial Group in 2010 after spending 23 years at Citigroup. From 2007 to 2010, he was responsible for Citi's Consumer Bank M&A activities globally.



**Susan
LaMonica**

- Susan LaMonica is Human Resources director for RBS Americas and Citizens Financial Group. She and her team provide HR support to RBS's businesses in the U.S., including the Retail and Commercial Division, Global Transaction Services, Business Services, GBM and Group Central Functions.
- LaMonica brings to RBS and Citizens more than 20 years of human resources and banking experience at JP Morgan Chase. As managing director and HR executive of the Investment Banking and Global Markets Division of JP Morgan, she led a team of 200 that served 22,000 employees globally.



**Sheldon
Goldfarb**

- Sheldon Goldfarb is the Americas General Counsel for RBS and the Chief Legal Officer for RBS Citizens Financial Group. As such he serves as the chief legal advisor for RBS's banking and capital markets businesses in the Americas.
- Goldfarb counsels RBS executives and provides strategic leadership to the management of legal risk and oversees an integrated legal function of 70+ lawyers for RBS in the Americas.



6 Management Biographies (4/4)

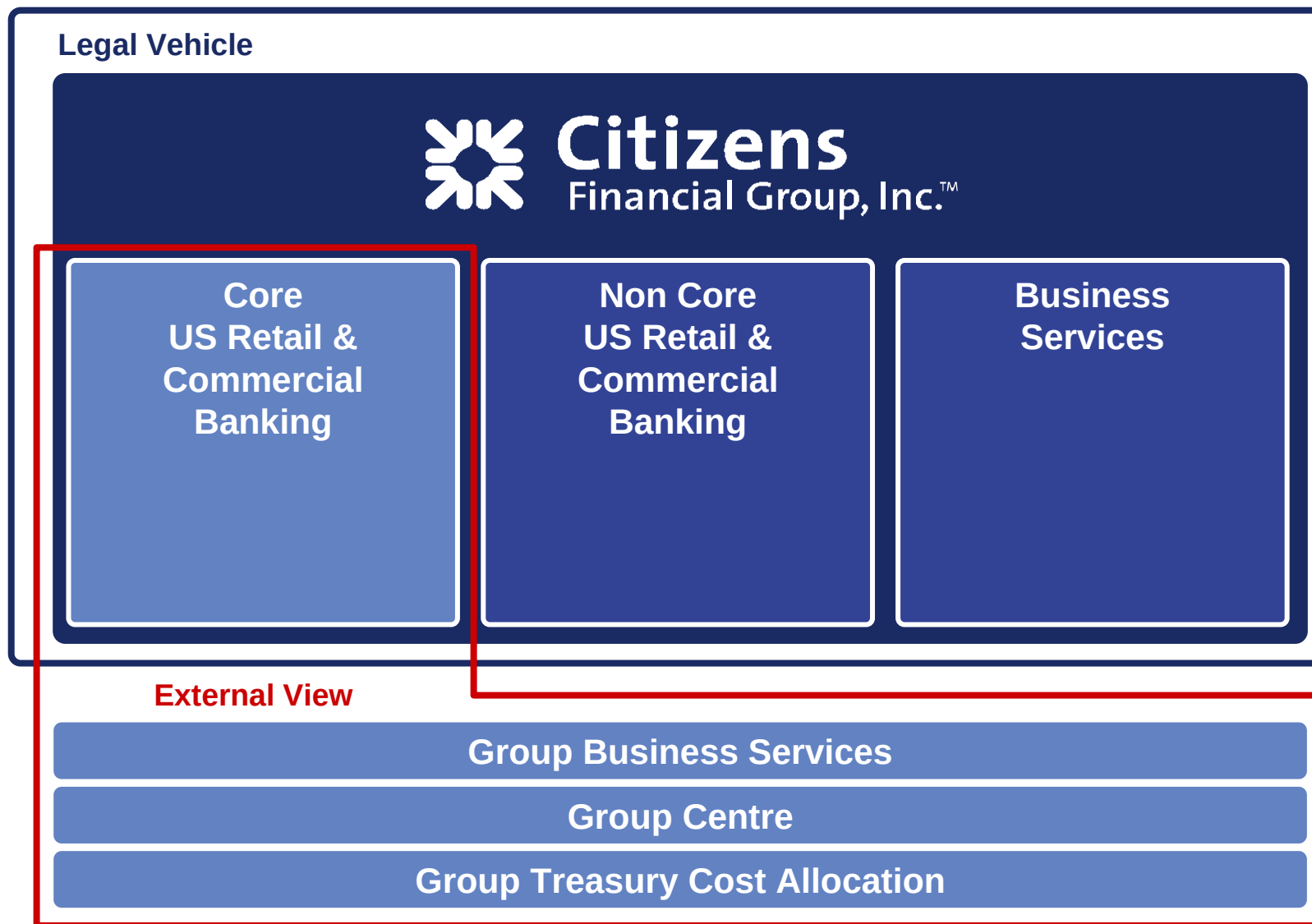


**Theresa
McLaughlin**

- Theresa McLaughlin is Group Executive Vice President of Citizens Financial Group, Inc. & RBS Citizens responsible for all company-wide marketing, public relations, government relations, corporate giving, communications & customer experience.
- McLaughlin's team develops the core marketing and communication strategies that drive the Consumer and Commercial banking growth for the company.
- She has been a financial services marketing professional for more than 20 years.



6 Citizens Financial Group - Legal Entity



6 Reconciliation of Core US R&C to Total Citizens

IFRS - \$MM

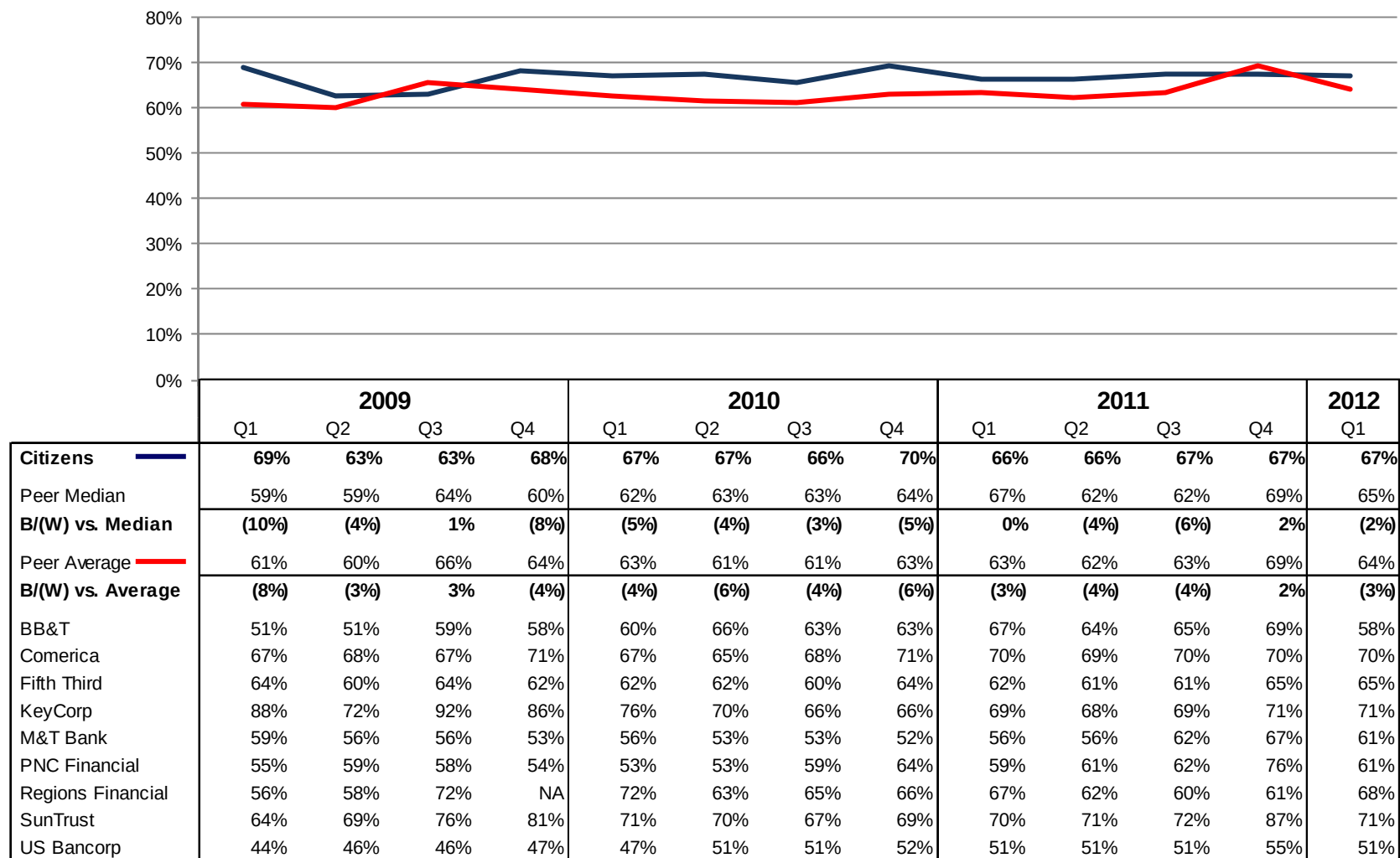
FY 2011

	US Retail & Commercial			International Banking	Business Services	Central Items	Total CFG
	Core	Non Core	Total				
Net Interest Income	\$ 3,099	\$ 268	\$ 3,367	\$ 0	\$ (34)	\$ (1)	\$ 3,332
Fee Income	1,665	9	1,674	0	23	0	1,698
Total Revenue Excl. Gains	4,764	277	5,041	0	(11)	(1)	5,030
Gains & Losses	158	7	165	-	1	-	166
Total Revenue	4,922	284	5,206	0	(10)	(1)	5,196
Staff Expense	(1,344)	(10)	(1,354)	(1)	(276)	(16)	(1,647)
Other Operating Expense	(893)	(77)	(970)	(1)	(789)	(3)	(1,763)
Total Direct Expense	(2,237)	(87)	(2,324)	(2)	(1,065)	(19)	(3,410)
Pretax Pre Provision Operating Earnings	2,685	197	2,882	(1)	(1,075)	(20)	1,785
Impairment Losses	(524)	(486)	(1,010)	-	-	-	(1,010)
Pretax Operating Income Before Allocations	2,161	(289)	1,872	(1)	(1,075)	(20)	776
Allocations	(1,033)	(42)	(1,075)	(0)	1,075	(0)	0
Pretax Operating Earnings	1,129	(331)	798	(1)	-	(21)	776
Intangibles / One Time Costs	(24)	-	(24)	7	(58)	(0)	(76)
Income Taxes	(387)	116	(271)	(2)	20	7	(245)
Net Income	\$ 717	\$ (215)	\$ 503	\$ 4	\$ (38)	\$ (14)	\$ 455

Treasury Cost	(51)
Business Services Allocation	(1,115)
Group Centre Allocation	(136)
Pretax Operating Earnings per IMS	\$ 860

6 Cost to Income Ratio

Citizens



Excludes Security gains, amortization expense and all non recurring items; data is as reported by SNL - May not reflect acquisitions

6 Financial Summary

US R&C IFRS - \$MM

	FY 09 Actual	FY 10 Actual	FY 11 Actual	B/(W) vs. Prior Year	
				\$	%
Net Interest Income	2,755	2,940	3,048	108	4%
Fee Income	1,665	1,710	1,665	(45)	(3%)
Gains & Losses	38	82	158	75	91%
Non Interest Income	1,703	1,792	1,823	31	2%
Total Revenue	4,458	4,732	4,871	139	3%
Staff Expense	(1,239)	(1,238)	(1,344)	(106)	(9%)
Other Operating Expense	(942)	(896)	(893)	3	0%
Total Direct Expenses	(2,181)	(2,134)	(2,237)	(103)	(5%)
Business Services Allocations	(1,127)	(1,110)	(1,115)	(5)	(0%)
Group Centre Allocations	(128)	(146)	(136)	10	7%
Total Expenses	(3,436)	(3,390)	(3,488)	(98)	(3%)
Pretax Pre Impairment Operating Earnings	1,022	1,342	1,383	41	3%
Impairment Losses	(1,104)	(802)	(524)	279	35%
Pretax Operating Profit	\$ (82)	\$ 540	\$ 860	\$ 320	59%

				Inc/(Dec) vs. Prior Year	
<u>Average Balance Sheet (\$BN):</u>					
Loans (and leases incl LHFS)	84.8	76.8	76.6	(0.2)	(0%)
Earning Assets	117.5	104.1	99.6	(4.5)	(4%)
Customer Deposits (excl Repos)	98.6	94.6	91.4	(3.2)	(3%)
RWA (spot - including Allocations)	97.5	89.1	91.8	2.7	3%
Loans (Net):Deposits (excl Repos)	80%	81%	85%	4%	5%
CI Ratio	77.1%	71.6%	71.6%	(0.0%)	(0%)
Return on Equity (9% of Avg. RWA)	(0.6%)	4.0%	7.0%	3.0%	73%
Return on Equity (10% of Avg. RWA)	(0.6%)	3.6%	6.3%	2.7%	73%
Headcount:					
FTE (December)	15,680	15,923	15,392	(531)	(3%)
NIM % (excl Allocations)	2.55%	2.90%	3.11%	0.21%	7.34%

