RBS: The Progress Continues

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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’, ‘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 Group’s restructuring plans, divestments, capitalisation, portfolios, net interest margin, capital ratios, liquidity, risk weighted assets (RWAs), return on equity (ROE), profitability, cost:income ratios, leverage and loan:deposit ratios, funding and risk profile; discretionary coupon and dividend payments; certain ring-fencing proposals; sustainability targets; the Group’s future financial performance; the level and extent of future impairments and write-downs, including sovereign debt impairments; the protection provided by the Asset Protection Scheme (APS); and the Group’s potential exposures to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity and equity price risk. 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 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 in particular; the ability to implement strategic plans on a timely basis, or at all, including the disposal of certain Non-Core assets and assets and businesses required as part of the State Aid restructuring plan; organisational restructuring, including any adverse consequences of a failure to transfer, or delay in transferring, certain business assets and liabilities from RBS N.V. to RBS; the ability to access sufficient sources of liquidity and funding; deteriorations in borrower and counterparty credit quality; litigation and regulatory investigations including investigations relating to the setting of LIBOR and other interest rates; costs or exposures borne by the Group arising out of the origination or sale of mortgages or mortgage-backed securities in the United States; the extent of future write-downs and impairment charges caused by depressed asset valuations; the value and effectiveness of any credit protection purchased by the Group; unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, commodity prices, equity prices and basis, volatility and correlation risks; changes in the credit ratings of the Group; 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 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 the Group operates or a change in United Kingdom Government policy; changes to regulatory requirements relating to capital and liquidity; changes to the monetary and interest rate policies of central banks and other governmental and regulatory bodies; changes in UK and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; the implementation of recommendations made by the Independent Commission on Banking (ICB) and their potential implications; impairments of goodwill; pension fund shortfalls; general operational risks; HM Treasury exercising influence over the operations of the Group; insurance claims; reputational risk; the ability to access the contingent capital arrangements with HM Treasury; the participation of the Group in the APS and the effect of the APS on the Group’s financial and capital position; the conversion of the B Shares in accordance with their terms; limitations on, or additional requirements imposed on, the Group’s activities as a result of HM Treasury’s investment in the Group; and the success of the Group 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 the 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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Agenda

- RBS: The Recovery Plan and Scorecard
- Key Elements of Risk Reduction
- Attractive Core Business Franchises
- Q1 Business Highlights
- Conclusion

The Recovery Plan and Scorecard

In 2009 RBS instigated a 5 year Recovery Plan

Objectives

- To **serve customers well**
- To restore the Bank to a **sustainable and conservative risk profile**
- To **rebuild value** for all shareholders

These priorities are interconnected and mutually supporting

Strategy

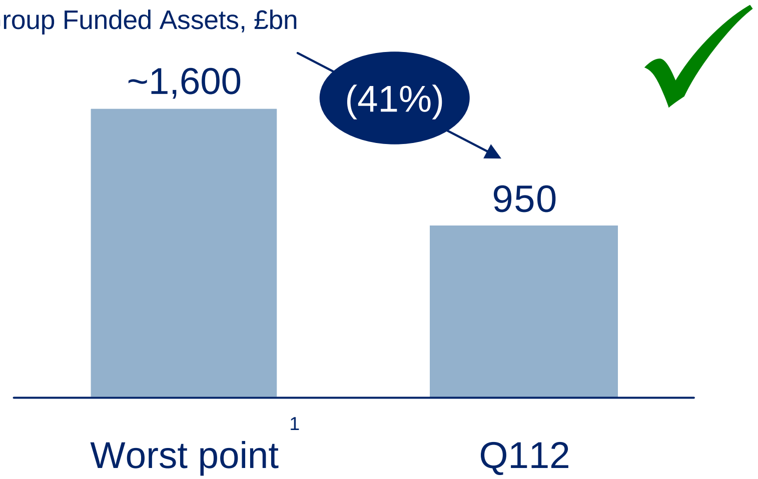
- The new RBS is built upon **customer-driven businesses** with substantial competitive strengths in their respective markets
- Each unit is being reshaped to provide improved and **enduring performance** and to meet new **external challenges**
- Businesses are managed to **add value in their own right** and to provide a stronger, more balanced and valuable whole through **cross-business linkages**
- In parallel, RBS **legacy risk positions are being worked down** and **risk profile transformed**, in part via Non-Core division

The principles of the RBS plan are working well

Progress to date: Balance sheet

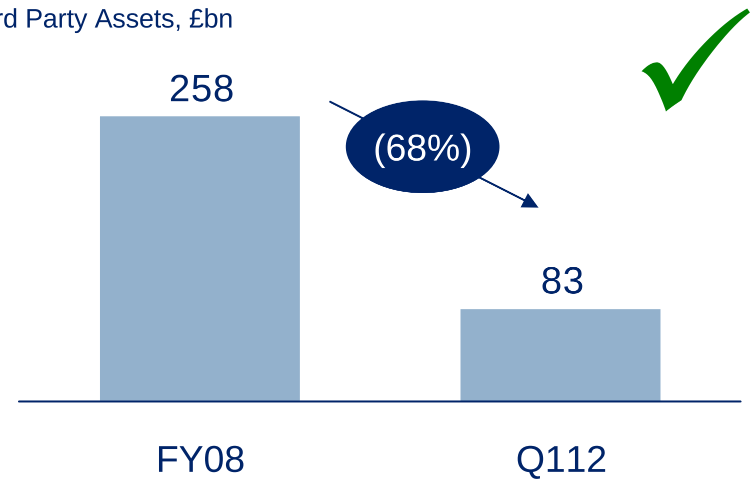
Balance sheet managed down

Group Funded Assets, £bn



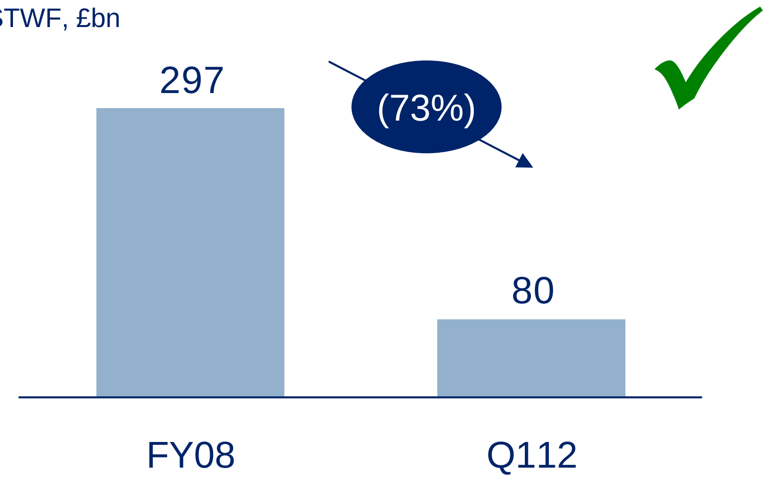
Non-Core assets reduced by two-thirds

Third Party Assets, £bn



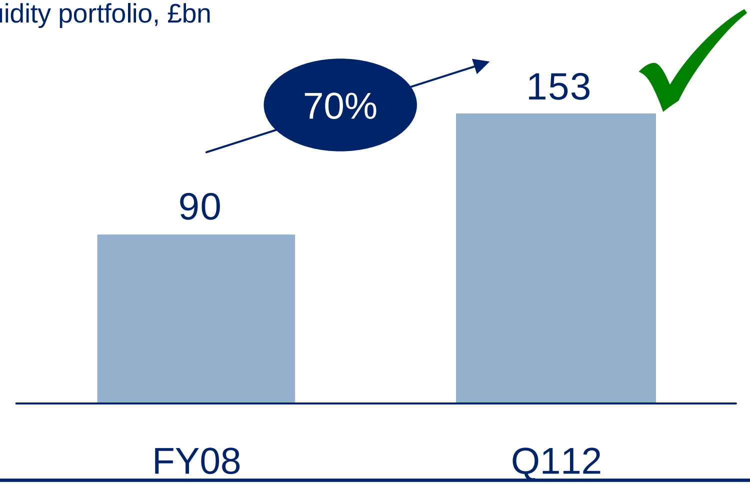
Short-term funding reduced

STWF, £bn



Liquidity portfolio > STWF[2]

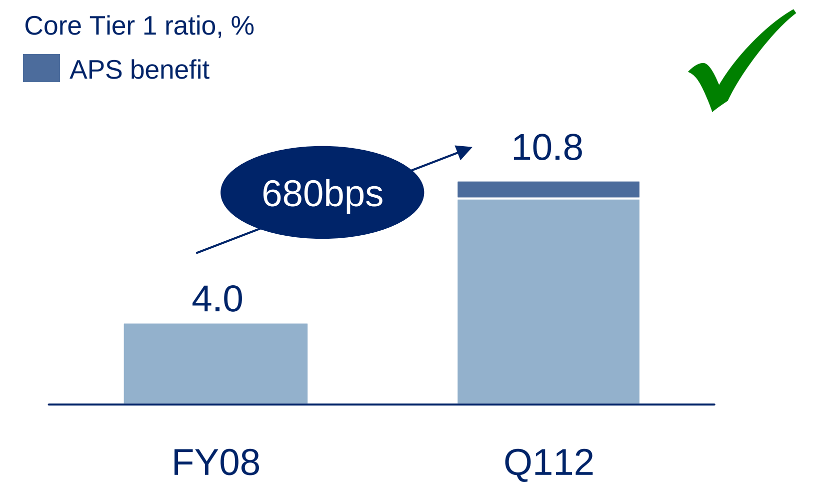
Liquidity portfolio, £bn



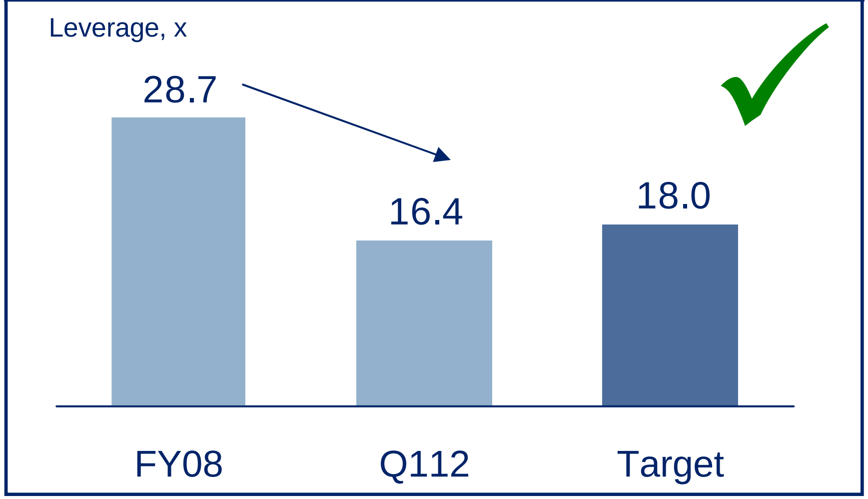
[1] FY07 funded assets, fully consolidated balance sheet. [2] Short-term wholesale funding.

Progress to date: Balance sheet

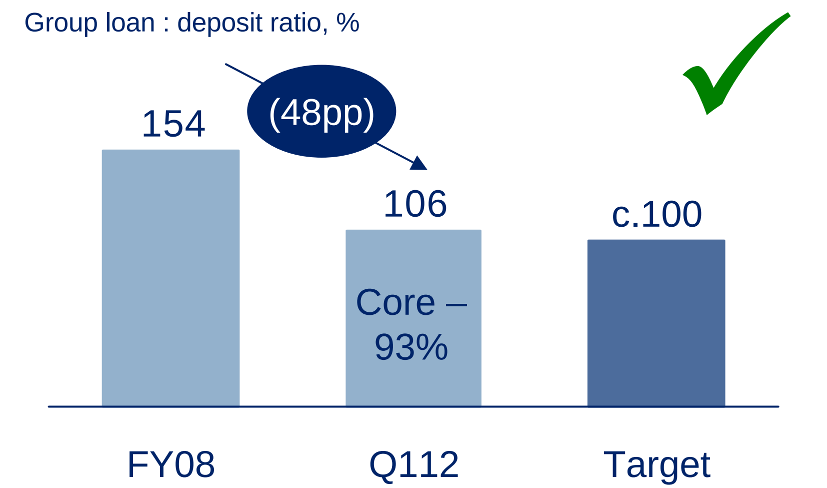
Capital base robust



Leverage below target



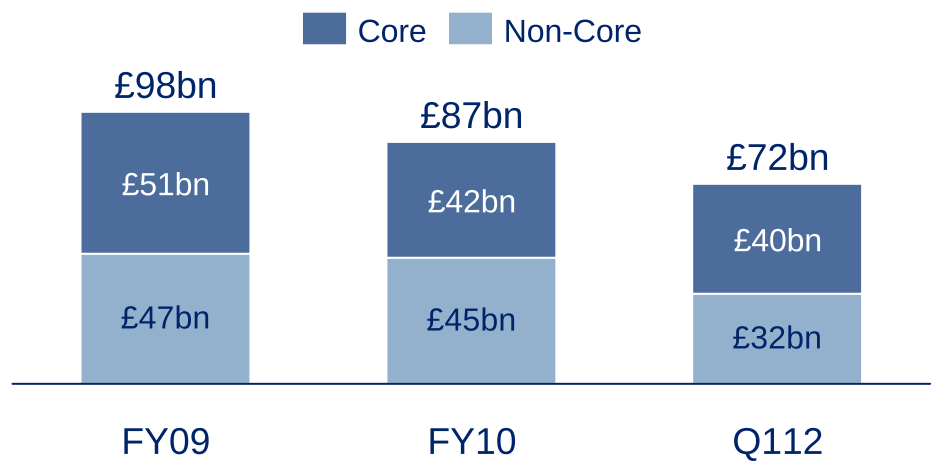
Close to self-funded



- Focus on safety and security of the bank - key balance sheet metrics met or surpassed
- Key measures 'in the pack' or ahead of peers
- Significant progress made in de-risking
- Non-Core reduction ahead of plan and ahead of peers

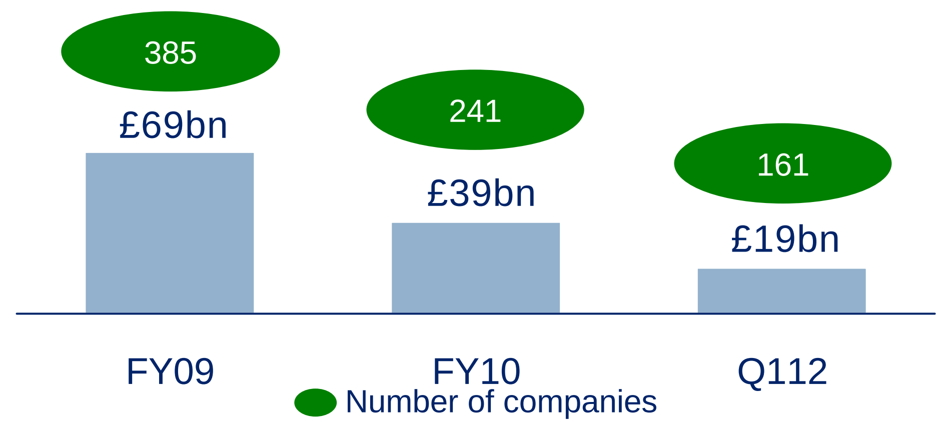
Progress to date: The Group's risk profile is significantly better

Commercial Real Estate Exposure[1]



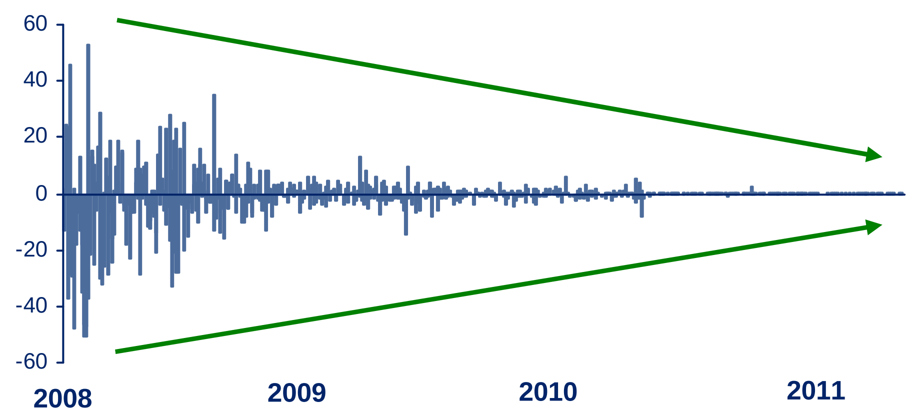
Single name credit concentrations

Corporate SNC Exposures Over Risk Appetite[2]



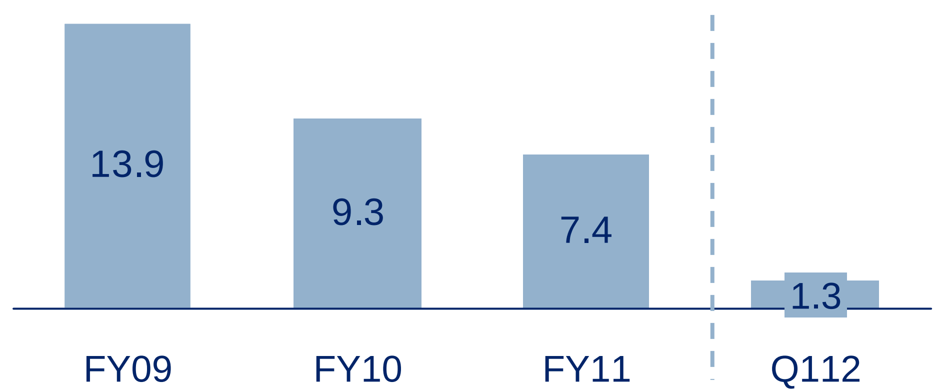
Non-Core market risk greatly reduced

Exotic Credit Book Daily P&L Moves, £m



Impairments significantly reduced

Group impairments, £bn



[1] Credit Risk assets excluding RRM and contingent obligations. Data shown as published at each period. [2] New methodology introduced from January 2012, graph shown on old basis.

Key elements of risk reduction

Non-Core: Driving risk improvement

The primary driver of risk reduction

Non-Core – make-up at inception

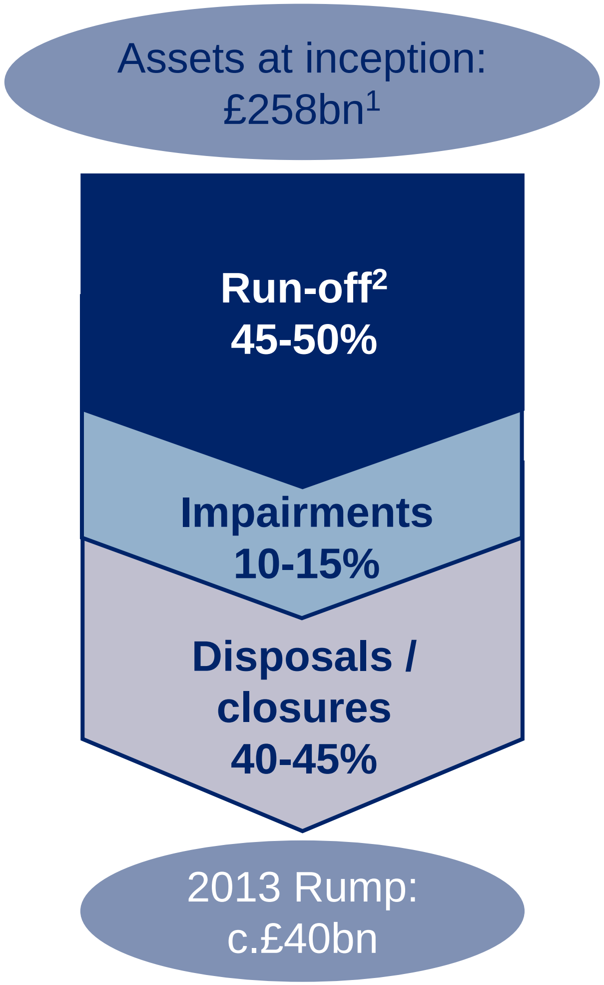
- Separately managed as run-down division
- At inception:
  - £258bn of funded assets
  - £171bn of RWAs
- Larger balance sheet than Standard Chartered, would be 5th largest US bank
- Mix of non-strategic, overly concentrated or stressed assets
- Incorporated portfolios, assets and entire businesses
- Included trading books outside the risk appetite of the Group
- Run-down targeted over 5 years through combination of natural run-off and asset sales
- Cash proceeds used to improve funding position

Non-Core – challenges & answers

- Significant complexity around portfolio assets
  - Brought in asset class expertise, built good data on assets
- Would there be sufficient demand to move assets at reasonable prices?
  - Plan phased run-down in line with economic scenarios
  - Patience required: half of run-down is through natural run-off
  - Opportunistic approach for running ahead
  - User-friendly for buyers

Non-Core: How we went about it

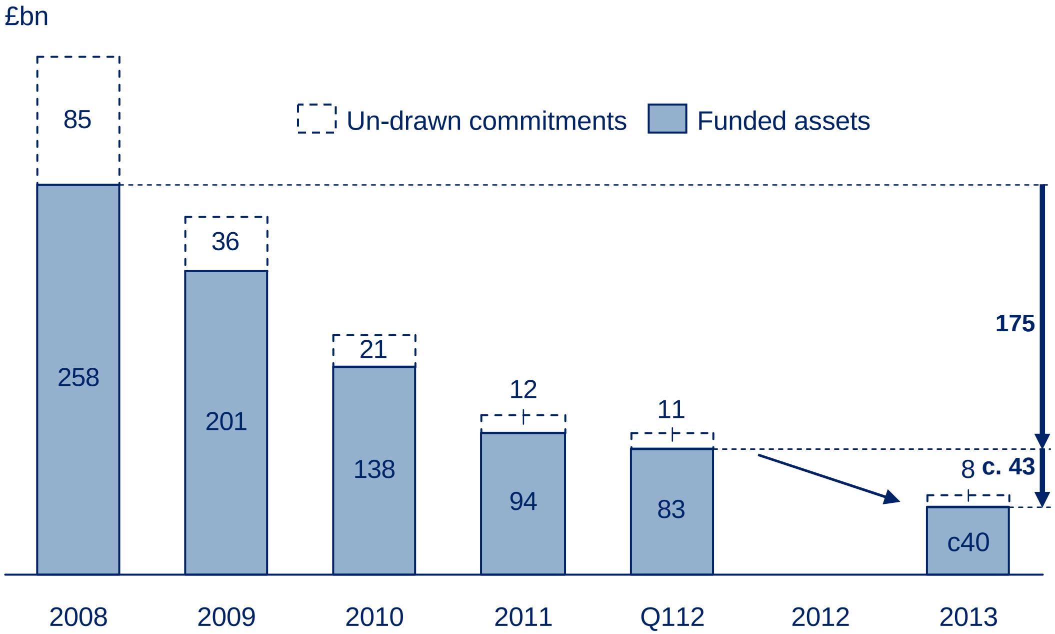
Run-down plan:

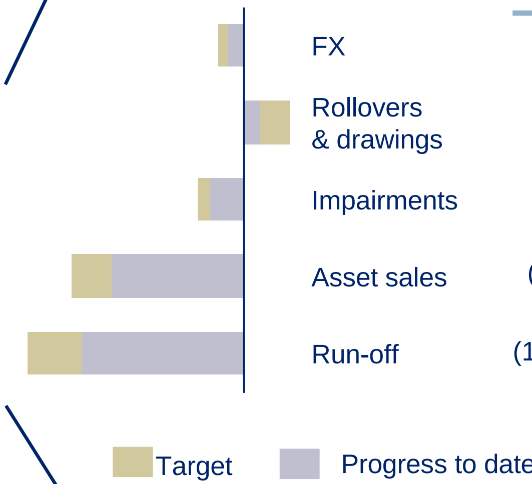


- **Run-off has been key driver**:
  - Biggest single contributor to run-down – 42%[3] reduction to date
  - No/limited execution costs relative to market disposals
  - Requires a focused and systematic approach
  - Stay close to clients – opportunities may arise to exit earlier or more cheaply
  - Maintain a robust approach – limit haircuts on repayments, resist rollovers
- **Impairments are**:
  - Better than forecast despite Irish out-turn and prolonged economic down-turn
  - Coming in at lower end of £20-30bn guide range for 2009-2013
- **Disposals are running ahead of projections**:
  - £74bn to date, significantly ahead of plan
  - 3pp cost vs. carrying value to date
  - Likely higher disposal costs on remaining plan of c.£25bn asset disposals 2012/13

[1] Excludes MTM derivatives. [2] Run-off inc. rollovers, drawings and FX movements. [3] Including £17bn of rollovers and drawings. Excluding this would result in a 52% reduction.

Good progress in Non-Core run-down





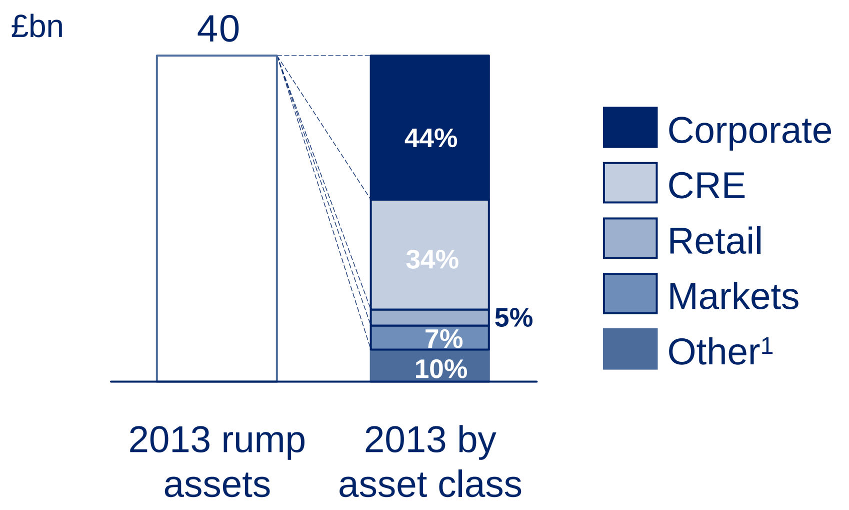
	2009-2013	2009-Q112
FX	(10)-(20)	(9)
Rollovers & drawings	20-30	17
Impairments	(20)-(30)[1]	(19)
Asset sales	(90)-(100)	(74)
Run-off	(110)-(130)	(90)

- Funded assets reduced by a further £11bn to £83bn; half disposals, half run-off
- £5bn of signed but not completed deals including Aviation Capital
- Remain on target to achieve year end range of £65-70bn funded assets
- RWAs decline £3bn to £90bn

[1] Excludes FY08 impairments of £4.9bn.

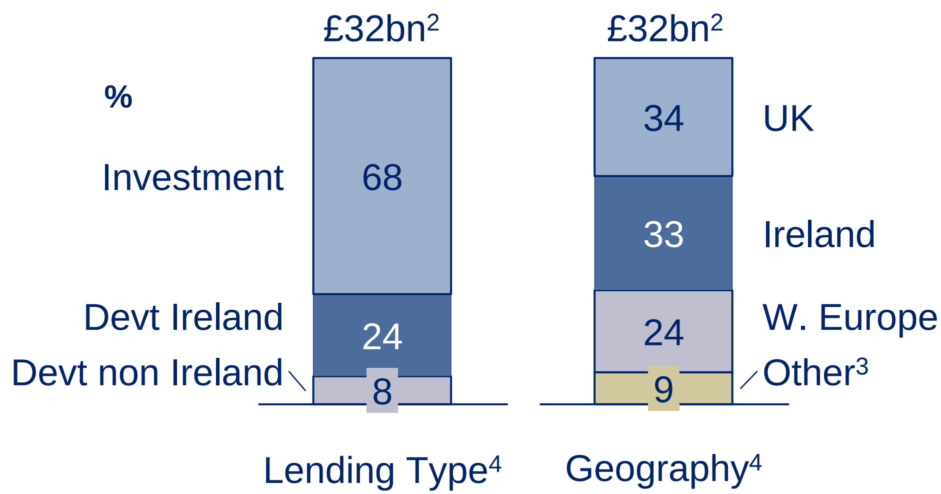
Non-Core: 2013 'rump'

2013 rump of c.£40bn TPAs is forecast



- 2013 Non-Core 'rump' estimated at c.£40bn, including:
  - Corporate and other assets of low yield but generally good credit quality
  - CRE of c.£15bn, c.60-65% in longer-term work-out
- Natural run-off pace for rump is c.50% by 2016

CRE portfolio make-up, FY11

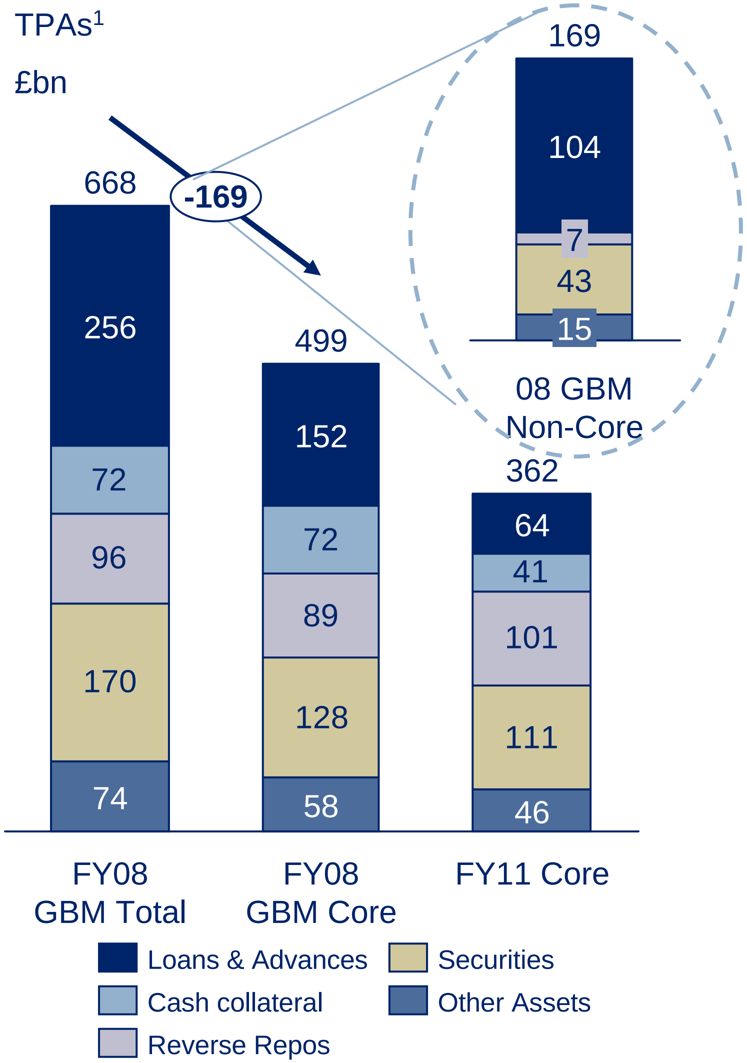


- 2011 CRE portfolio attributes:
  - Exposure dominated by Investment lending
  - 47% of book classed as REIL, provisioned at 44%
  - Ulster Bank Development provisioned at 57%
  - Well balanced by geography; 2/3 non-Ireland, UK biased to London and South-East

[1] includes SME lending. [2] Based on loans and advances. [3] Includes US and RoW. [4] Based on Credit Risk Assets.

GBM: Restructuring 2008/09

Wholesale restructuring in 2008

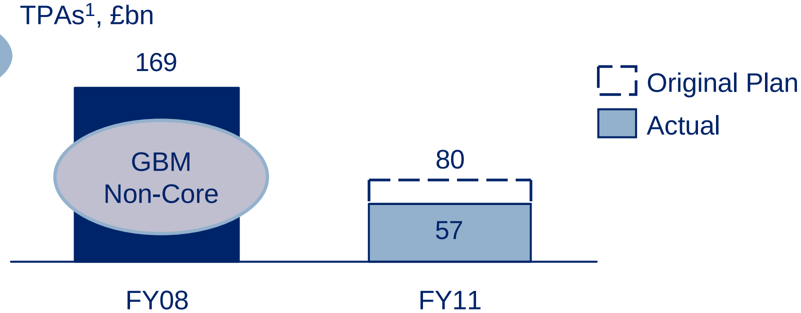


Ability to focus on deleveraging

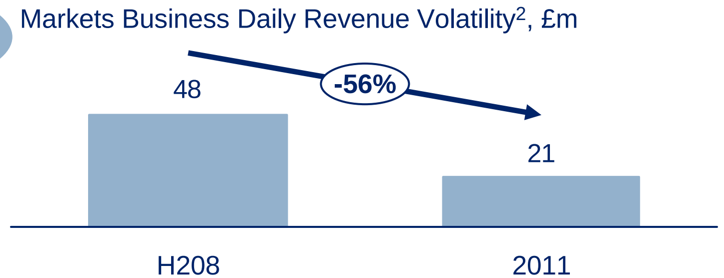
Ability to reduce risk

Ability to generate returns

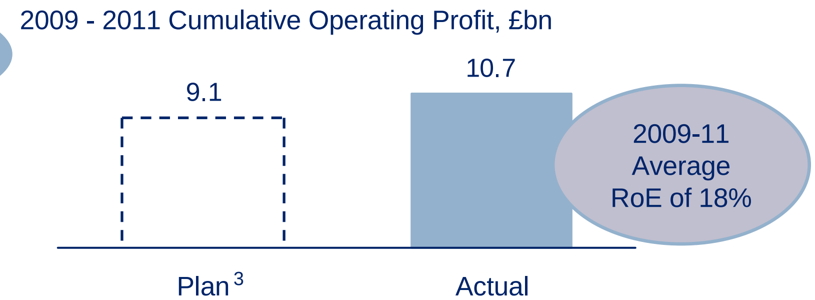
GBM donated Non-Core assets - Deleveraging ahead of plan



Enhanced risk culture fully embedded across group



Resultant GBM profit ahead of expectations



[1] Third party assets excluding MTM derivatives. Derivatives at fair value of £145bn also moved to Non-Core; total GBM derivatives at FY08 £895bn. [2] Standard deviation of Markets daily revenue. [3] Excluding Sempra.

GBM: Why we had to go to round two restructuring

Economic
- Slower economic recovery
- Flatter yield curve

RBS impact
- NIM and impairment headwinds
- Lower customer activity levels

Market
- Customer risk aversion
- Dislocated funding markets

RBS impact
- Lower IB client activity & risk volatility
- Higher Group funding costs
- Still more conservative funding model required

Regulatory
- Basel – capital and liquidity requirements
- ICB

RBS impact
- Much higher capital requirement
- Increased funding, liquidity and capital costs

GBM: The plan going forward

RBS Competitive Positioning

Weak — Strong

Capital Intensity: Low — High

- Cash Equities
- Corporate Broking
- Equity Capital Markets
- M&A

- Prime Services

- FX
- Transaction Services
- Investor Products

- Credit Markets
- Emerging Markets

- Rates
- Asset-backed Products
- Corporate Lending

Exit | **Retain / Invest / Optimise**

Optimise   Invest

Generated negative contribution in FY2011: ~(10)% of total GBM contribution

- Focus on businesses where we hold a competitive advantage. Maintain market share. Serve clients well.
- Plan will: reduce complexity; drive a more conservative balance sheet, improving sustainability of funding requirement; improve risk profile; and deliver more stable revenues and solid returns.

Markets business overview

Summary

- Provides products and services to a wide range of the Group's clients and addresses the more complex financial needs of large corporate and institutional clients and (via Retail network, RBS Wealth and third party distributors) sophisticated retail investors
- Intermediates between diverse issuer and investor client sets, including clients of the wider Group

Client offering

Intermediating between issuers and investors across asset classes

Issuers	• Large corporates – IB Clients • Smaller corporates – other RBSG divisions • Financial institutions – PGS clients, product-covered clients, other RBSG divisions
Investors	• Institutional investors • Retail investors: sophisticated RBS Wealth clients

Serving Corporates & FIs in their treasury & risk management operations

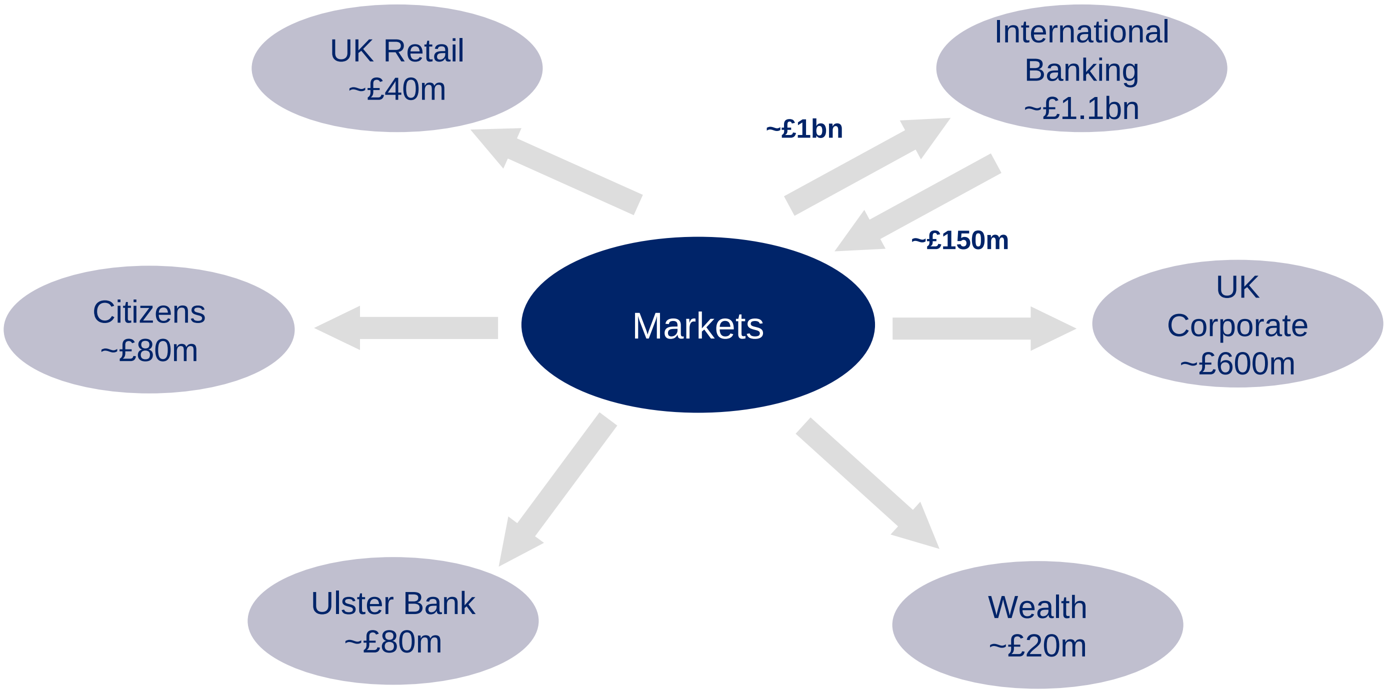
Corporates	• Large corporates • Product covered clients • Smaller corporates – Domestic clients of UK Corporate, Ulster, Citizens
Financial Institutions	• Banks • Insurers • Institutional investors

Products

- Currencies – spot FX and currency hedging
- Rates – interest rate hedging, inflation, money markets
- Emerging Markets – access to non G11 offshore and onshore products
- Asset-backed Products, FI Solutions – complex balance sheet, capital and liquidity solutions including securitisations
- Prime Services – prime brokerage, clearing, collateral services, futures
- DCM and Credit – execution and market intelligence
- Investor Products and Equity Derivatives
- Risk Solutions – corporate risk management solutions

Significant connectivity of Markets business with rest of RBS Group

Revenue Connectivity of Markets and International Banking Businesses Across RBS Group



- ~£1.9bn[1] revenues generated across RBSG in 2011 through Markets connectivity

[1] Markets products to Group clients and International Banking products to Markets clients.

International Banking overview

Summary

- Client focus: Internationally oriented corporates and their subsidiaries. Financial Institutions to who we sell Transactions Services
- Coverage model: Integrated coverage organisation serving own client base and international transaction services needs of the Group's customers

Formation rationale

- Combine GBM Banking with GTS International
- Extract cost synergies from front office and shared infrastructure
- Align capital to optimise returns across M&IB
- Ensure all locations deliver attractive returns across the network
- Stable, low volatility returns

Country presence

EMEA:

- Austria, Belgium, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Italy, Kazakhstan, Luxembourg, Netherlands, Norway, Poland, Qatar, Russia, Slovakia, South Africa, Spain, Sweden, Switzerland, Turkey, UAE, UK

APAC:

- Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Singapore, Taiwan, Thailand

AMERICAS:

- Canada, USA

… presence in additional 20+ countries through partner bank agreements

Products

- Payments and cash management
- Trade finance
- Liquidity and deposits
- Lending and structured lending
- Corporate Advisory
- Electronic channels & client workflow integration
- Access to all Markets products, including DCM, FX and Rates

Markets & Int'l Banking: Achievable medium term targets

	Q112		Medium-term targets		Management levers
	Markets	IB	Markets	IB	
Cost: income ratio	50%	72%	c.60%	<60%	Cost efficiency
RoE	21.1%	7.5%	>12%	>12%	RWA reduction: — Lower inventory — De-risking — Model improvements

- Reduce asset and capital usage to improve funding profile and returns
- Deliver meaningful cost synergies
- Enhance connectivity with other divisions

Attractive Core business franchises

Core: Robust franchises, leading market positions

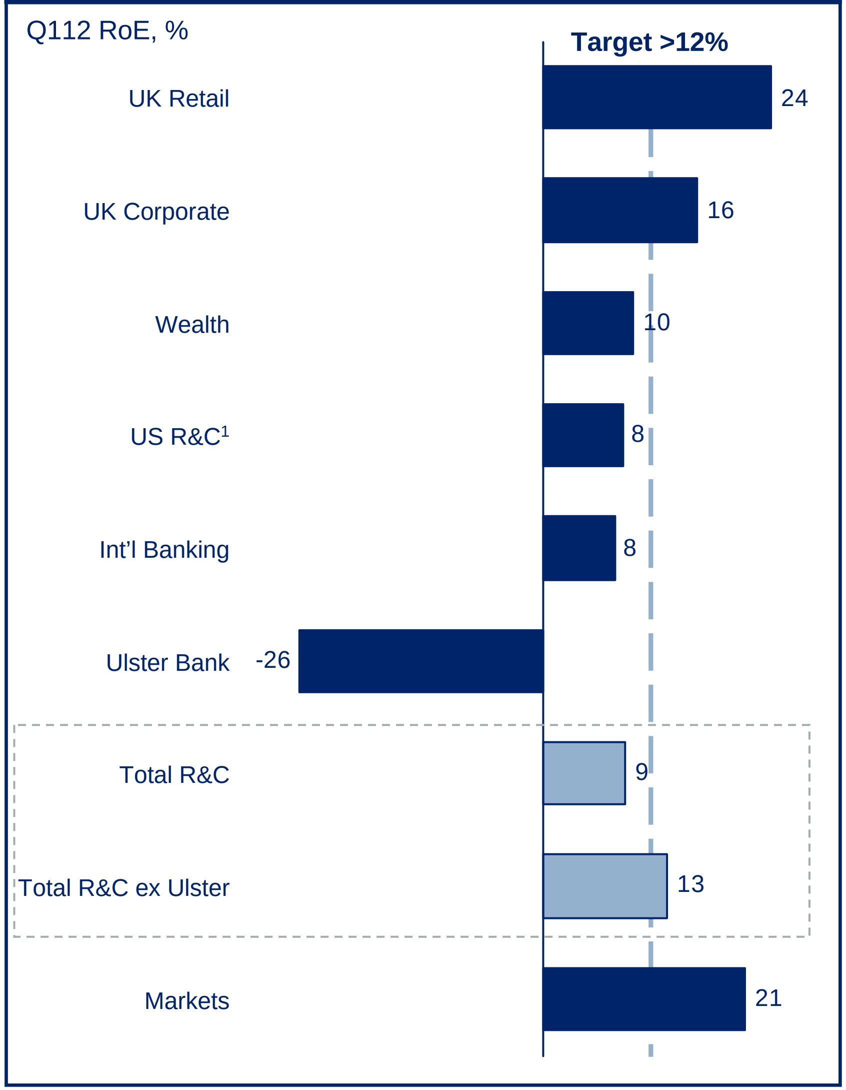
- UK Retail:
  - #2[1] for UK current accounts (13m); 11.4m savings accounts
- UK Corporate:
  - #1[2] SME bank, #1[3] Corporate Bank; c1.2m customers
- Wealth:
  - #1[4] UK High Net Worth Private Bank
- US R&C:
  - Top 5[5] player in 8 of the top10 markets in which we operate
- Ulster Bank:
  - #1[6] bank in Northern Ireland, #3 Island of Ireland; serving 2m customers
- International Banking:
  - Top tier cash management provider (#1 UK[7], #4 Western Europe[8], #6 Global[8])
  - Top tier bookrunner of syndicated loans (#1 UK, #4 Western Europe; #10 Global)[9]
- Markets:
  - Top 5[10] in FX, Rates and Asset Backed Products
- Direct Line Group:
  - #1 personal lines insurer with 19% share in motor and 18% in home[11]

An attractive Group, increasingly evident as Non-Core recedes

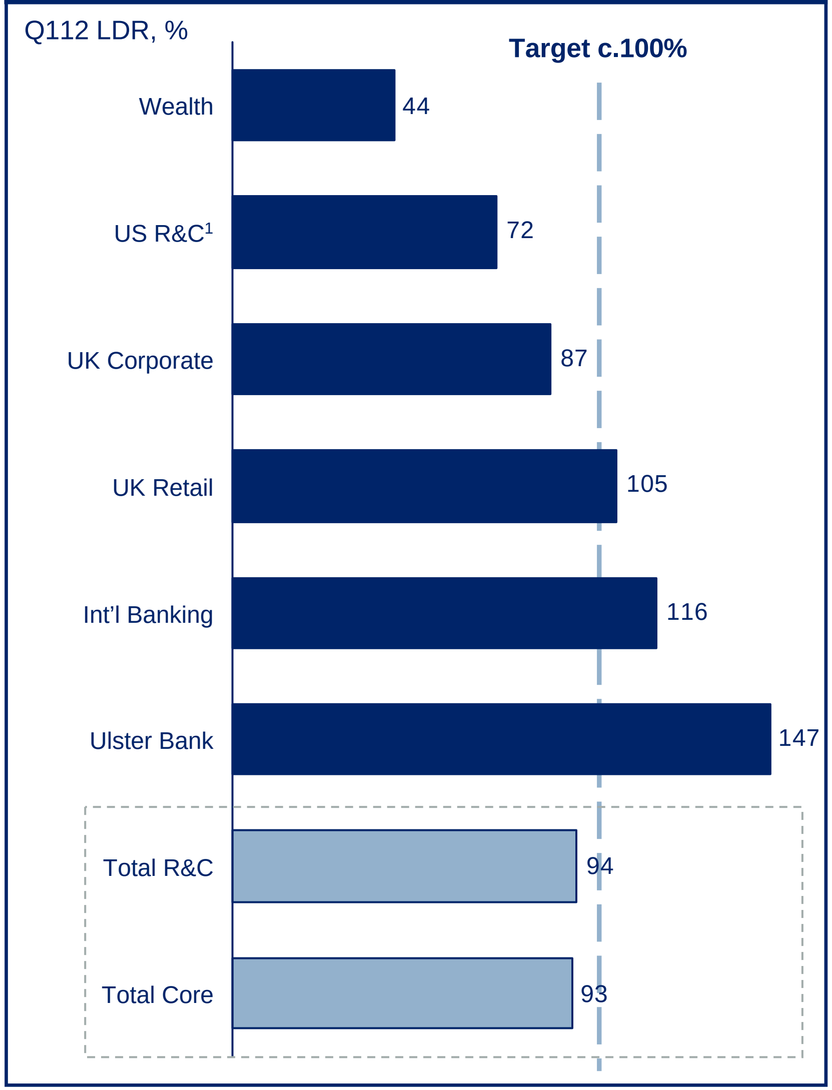
[1] GfK NOP Financial Research Survey (FRS) 6 months ending January 2012, market share of all current accounts, 28,811 adults interviewed, UK Retail includes RBS, NatWest and Coutts. [2] RBSG 26% main bank market share. Chaterhouse Business Banking Survey YEQ4 2011; based on 16,613 interviews with businesses in Great Britain turning over up to £25m pa. [3] pH Group (Experian). [4] Private Asset Management, RBS estimates. [5] Deposit market share data, FDIC. [6] PWC annual survey for Corporate; IPSOS MORI for Retail. [7] Ranked #1 for market footprint UK, 2012 Greenwich Share Leader – European Large Corporate Cash Management. [8] Euromoney results for Corporates, FY11. [9] Dealogic Loans Review FY11. [10] Coalition and RBS estimates. [11] GfK NOP Financial Research Survey (FRS) 3 months ending Dec 2011.

Core: A complementary mix of businesses

RoEs



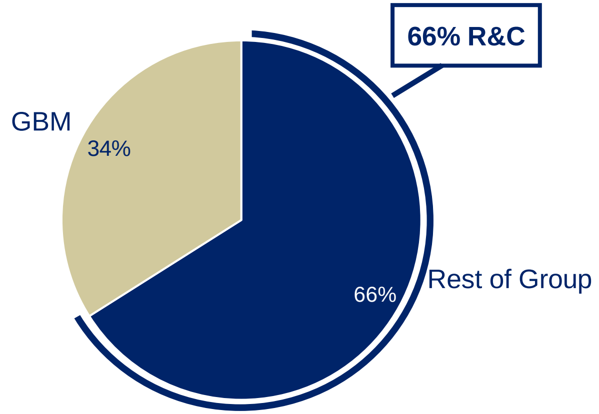
Loan to Deposit Ratio



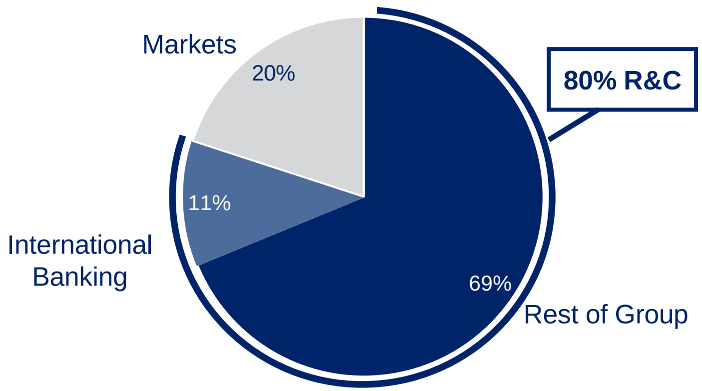
[1] Underlying excluding litigation charge.

Core: Improving sustainable strength & value

FY07 revenues[1], old structure

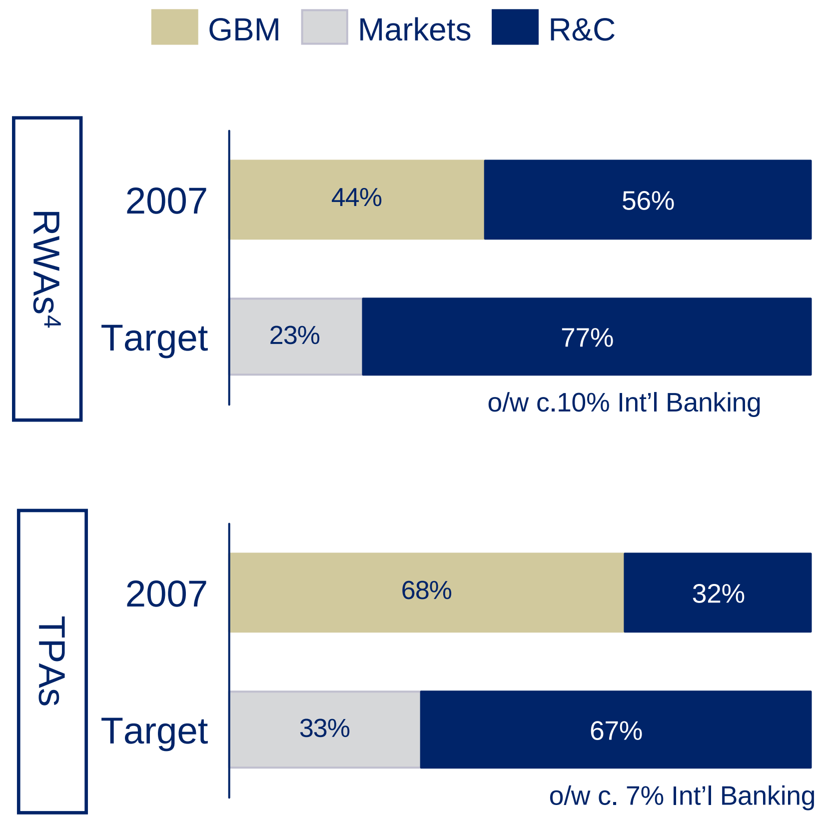


FY11 revenues[2], new structure



- Total markets revenues[3] of £5.6bn represent c25% of Core[2]

Balance sheet structure



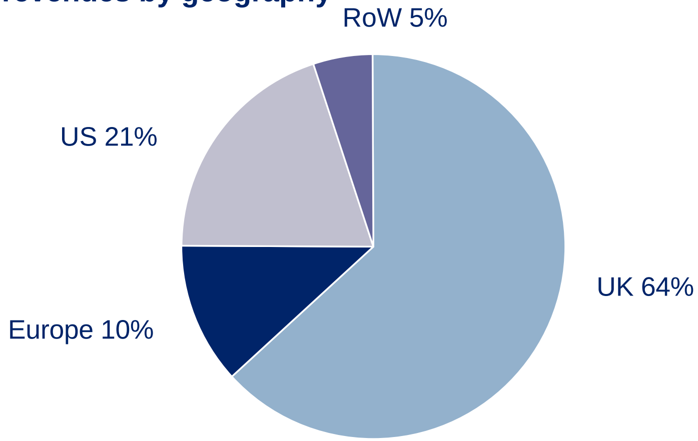
Further shift toward Retail & Commercial

[1] Total Group excluding insurance. [2] Core excluding Insurance. [3] Revenues booked in both Markets and other Divisions. [4] RWA target fully loaded for Basel III.

Revenue diversity: Geography and business mix

Geographic coverage

FY11 revenues by geography[1]

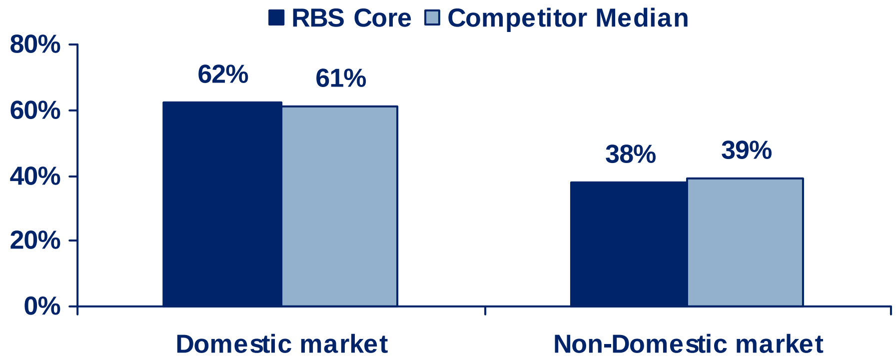


Key points

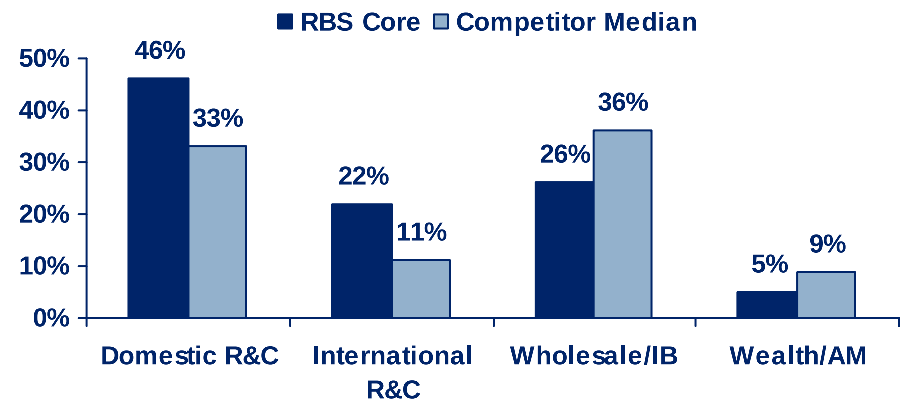
- Attractive business make-up
- Anchored in domestic market
- Focused international presence
- Appropriate scope of Markets revenues

Business mix versus peers

2011 Revenues by geography vs peer average [2, 3]



2011 Revenues by business mix vs peer average[2,3]

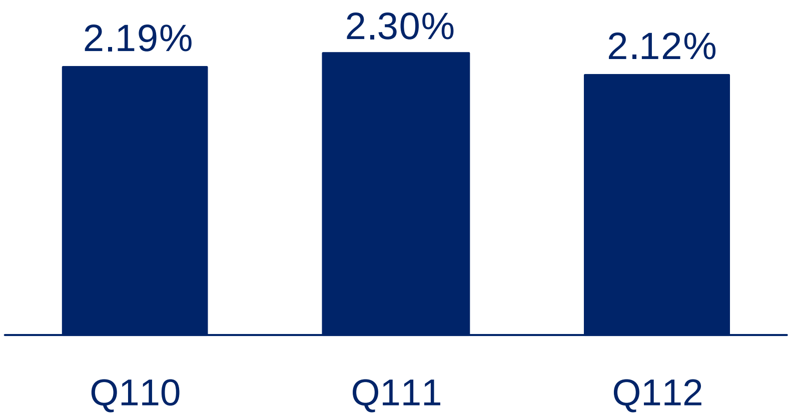


[1] RBS Core excluding RBS Insurance and Central items. [2] RBS splits based on revenues pre-restructure of GBM into Markets and International Banking. [3] Based on FY11 results, peers consist of Bank of America Merrill Lynch, Barclays, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan Chase, Lloyds Banking Group, Morgan Stanley, Santander, Societe Generale, UBS.

Core: A sustainable business emerging

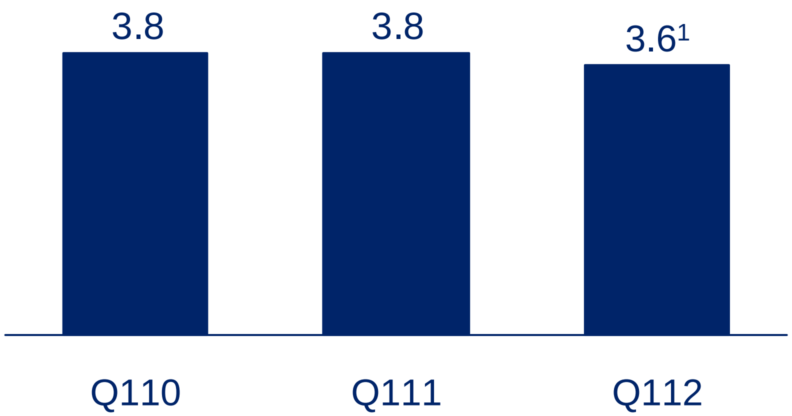
NIM stabilising

Core business NIM, %



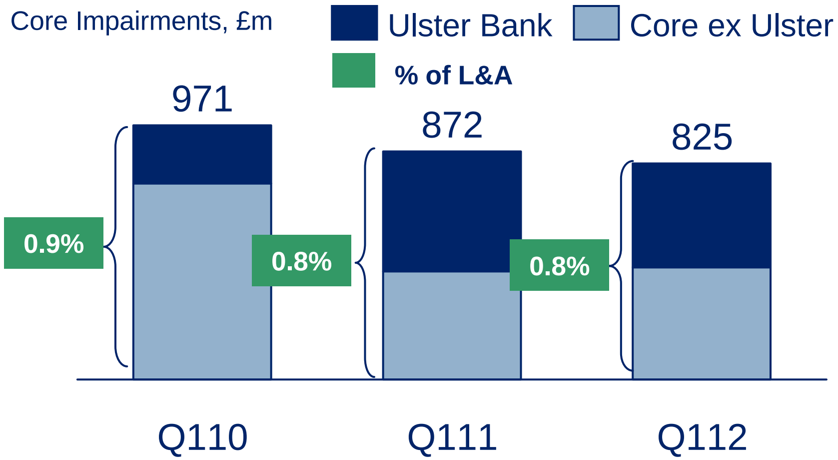
Tight cost management

Core costs, £bn



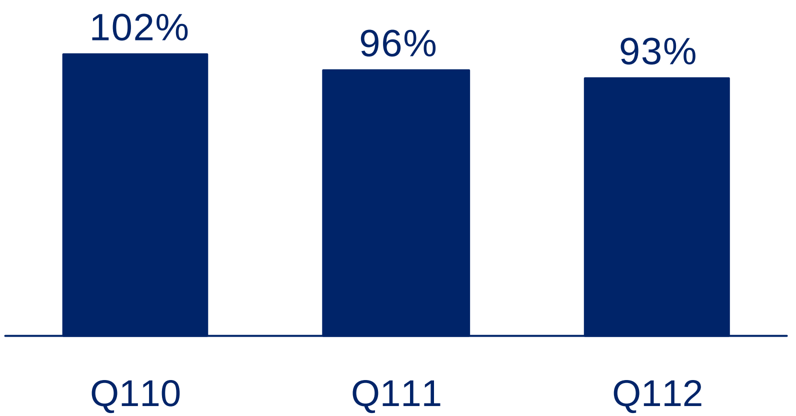
Impairments normalising

Core Impairments, £m



A self funded business

Core loan to deposit ratio, %



[1] Excludes US litigation costs

Q1 Business highlights

Business Highlights

Robust operating profit:
- £1.2bn Group operating profit in Q112 vs £144m loss in Q411
- Core operating profit of £1.7bn; RoE of 11%, 14.4% excluding Ulster Bank
- Rebound from subdued client activity levels in Markets

Risk reduction continues apace:
- Funded assets reduced £27bn to £950bn; Non-Core funded assets reduced to £83bn
- Group impairments declined 22% to £1.3bn, driven by a c£260m reduction in Non-Core
- Investment Bank restructuring progressing well; cash equities business exited

Capital, Liquidity and Funding position further strengthened:
- Core Tier One ratio improved to 10.8%
- Short-term wholesale funding reliance declined £23bn to £80bn
- Group LDR improved 2% to 106%; Core LDR improved 1% to 93%

Progress to standalone strength:
- SLS paid, CGS to be repaid by mid May
- Successful Liability Management Exercise delivers £0.6bn profit
- Resumption of Preference Share dividends, 1 for 10 ordinary share consolidation

Financial highlights

Core Business:

	Q112	
Operating profit[1]	£1.7bn	+46% q-o-q driven by improved performance in Markets business
Return on Equity[2]	11%	14.4% excluding Ulster Bank
R&C NIM	2.91%	+1bp q-o-q; wholesale funding reduction offsets mix towards secured lending and lower swap rates
Cost : income ratio[1,3]	60%	2% improvement q-o-q driven by non-staff expenses
Impairments	£0.8bn	12% reduction despite ongoing elevated charges in Ulster Bank
Loan : deposit ratio[4]	93%	Remains ahead of target; loan demand subdued ex UK Retail & US R&C

Group Progress:

	Q112	
Operating profit[1]	£1.2bn	Reduced Non-Core losses and rebound in Markets performance
Non-Core funded assets	£83bn	£11bn funded asset reduction q-o-q; remains on target for YE range £65-70bn
Capital strength	10.8%	Further improvement in capital strength reflecting ongoing risk reduction
Pre-tax loss	£1.4bn	After £2.5bn own credit adjustment charge

[1] Excluding own credit adjustment (OCA). [2] Equity allocated based on share of Group tangible equity. [3] Adjusted C:I ratio net of insurance claims. [4] Net of provisions.

Progress against plan

Group – Key performance indicators	Worst point	Q112	Medium-term Target
Balance sheet & risk:			
Loan : deposit ratio (net of provisions)	154%[1]	106%	c100%
Short-term wholesale funding[2]	£297bn[3]	£80bn	<10% TPAs
Liquidity portfolio[4]	£90bn[3]	£153bn	>1.5x STWF
Leverage ratio[5]	28.7x[6]	16x	<18x
Core Tier 1 Capital ratio	4%[7]	10.8%	>10%
Value drivers:			
Return on Equity (RoE)[9]	(31%)[8]	11%	>12%
Cost : income ratio[11]	97%[10]	60%	<55%

- Capital and Funding targets in good shape; Basel III to come
- Prioritising:
  - Safety and soundness of the Group
  - Ongoing reduction in wholesale funding
  - An appropriate liquidity buffer

[1] As at October 2008 [2] Amount of unsecured wholesale funding under 1 year including bank deposits <1 year excluding derivatives collateral. [3] As of December 2008 [4] Eligible assets held for contingent liquidity purposes including cash, government issued securities and other securities eligible with central banks. [5] Funded tangible assets divided by Tier 1 Capital. [6] As of June 2008 [7] As of 1 January 2008. [8] Group return on tangible equity for 2008 [9] Indicative: Core attributable profit taxed at 28% on attributable core average tangible equity (c75% of Group tangible equity based on RWAs). [10] 2008. [11] Adjusted cost:income ratio net of insurance claims.

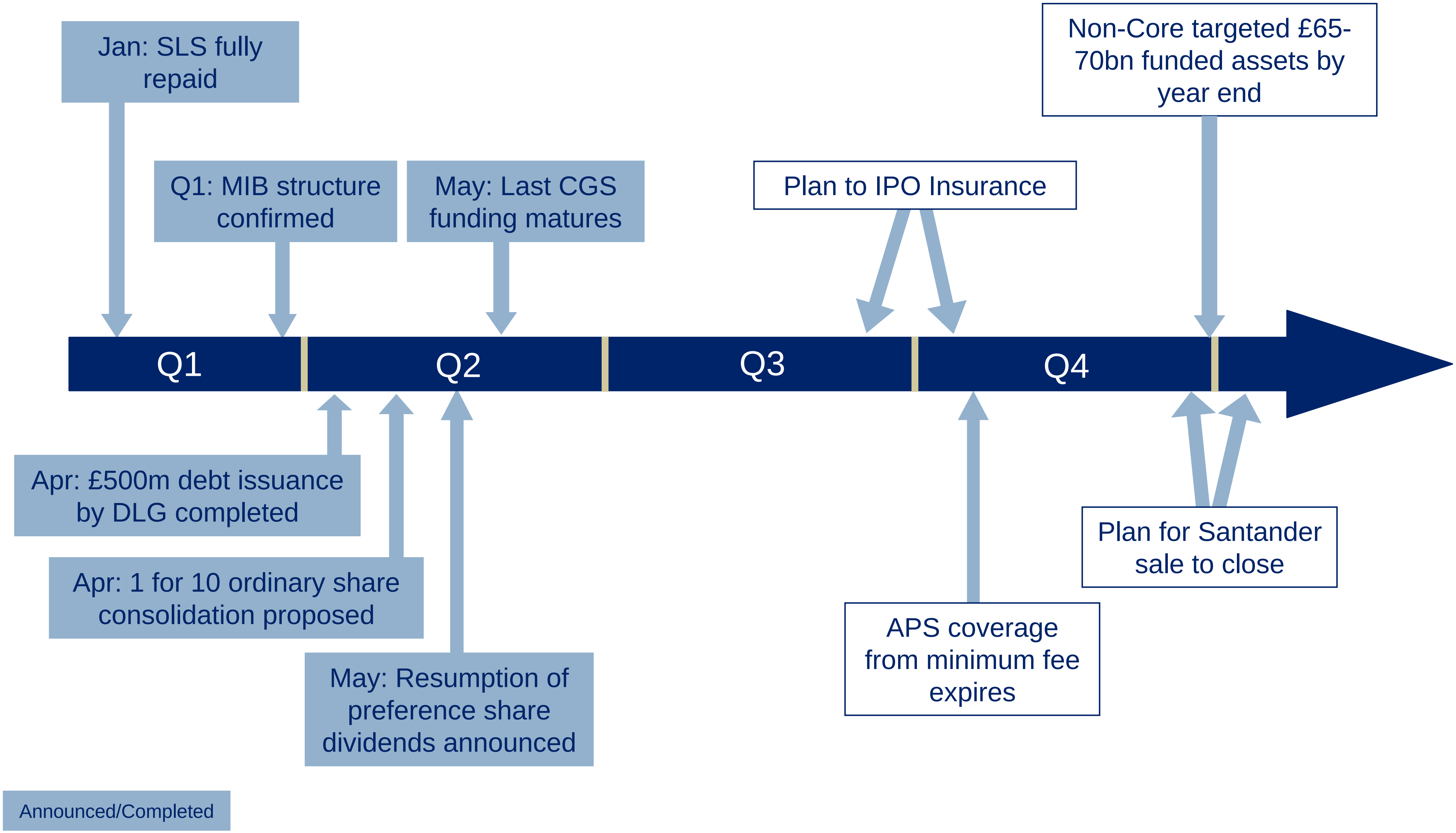
Funding and liquidity vs. peers

Key Metrics	RBS Q112	UK Peers[4] FY11	EU Peers[4] FY11	Better than Peers UK	Better than Peers EU
Loan : Deposit Ratio (Group/Core)	**106% / 93%**	**109%**	**99%**	✓ / ✓	X / ✓
Liquidity Buffer[1] as % STWF[2]	**191%**	**151%**	**89%**	✓	✓
STWF[2] as % Funded Balance Sheet	**8%**	**13%**	**13%**	✓	✓
STWF[2] as % TWF[3]	**34%**	**51%**	**47%**	✓	✓
Deposits as % Total Funding	**65%**	**52%**	**47%**	✓	✓

- RBS 2011 funding & liquidity metrics compare well to peers
- Targeting further improvement across all metrics which should place the Group in a top quartile funding and liquidity position by 2013/4

[1] Liquidity buffer reserves comprise cash at central banks and eligible unencumbered government and other debt securities as far as we are able to determine from public disclosures. Debt securities held for trading are excluded from the liquidity buffer metrics above. [2] Short Term Wholesale Funding. [3] Total Wholesale Funding – includes cash collateral as most of the peer banks do not disclose cash collateral separately from other deposits. [4] Peers include Barclays, Lloyds, HSBC, BNP Paribas, Credit Suisse, Deutsche Bank, Santander and UBS

Planned milestones in 2012



Conclusion

Markers of success

A fundamentally restructured group	■ A resized, restructured and de-risked balance sheet ■ An efficiently run, lower cost business
A viable, attractive, standalone business	■ Maintenance of market-leading positions with customer relevance ■ Complementary business proposition with appropriate capital usage ■ Generating RoE > CoE
A rebalanced risk profile	■ Fully overhauled risk management approach ■ Appropriate risk appetite central to the business model
Under-investment addressed	■ Focused on organic growth ■ Investing for future cost savings ■ Improving efficiency, customer service and staff utilisation
An appealing investment case	■ Path to solid returns clear; sustainable business model and balance sheet ■ Establish strong dividend platform ■ UK Government able to exit its holding

Conclusions

Core Franchises	■ Solid operating performance from the Core Business ■ Retail & Commercial remains stable against backdrop of weak economy ■ Markets rebounds, demonstrating strength of franchise despite smaller balance sheet
Non-Core and Risk	■ Non-Core continues to execute well; losses £799m lower than Q411 ■ Funded assets decline by a further £11bn to £83bn, now only 9% of Group assets ■ Impairments fall 35% q-o-q on a reported basis, 56% excluding Ulster Bank
Balance Sheet	■ £27bn reduction in Group funded assets to £950bn ■ Loan to deposit ratio further improved to 106% for Group and 93% for Core ■ Short-term wholesale funding reduced by £23bn to £80bn
Capital position	■ Core Tier 1 ratio further strengthened to 10.8%, +20bps q-o-q ■ Remain well-positioned to support business plan and absorb further regulatory capital requirements

Questions?