RBS Americas Investor Roundtable

Stamford, US

12th March 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’, ‘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, 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; certain ring-fencing proposals; 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 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 full nationalisation of the Group or other resolution procedures under the Banking Act 2009; 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 financial stability of other financial institutions, and the Group’s counterparties and borrowers; 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 EC State Aid restructuring plan; organisational restructuring, including any adverse consequences of a failure to transfer, or delay in transferring, certain businesses, assets and liabilities from RBS Bank N.V. to RBS plc; the ability to access sufficient funding to meet liquidity needs; 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 the Group arising out of the origination or sale of mortgages or mortgage-backed securities in the United States; 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; HM Treasury exercising influence over the operations of the Group; 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; impairments of goodwill; pension fund shortfalls; litigation and regulatory investigations; general operational risks; insurance claims; reputational risk; changes in UK and foreign laws, regulations, accounting standards and taxes, including changes in regulatory capital regulations and liquidity requirements; the recommendations made by the UK Independent Commission on Banking and their potential implications; the participation of the Group in the APS and the effect of the APS on the Group’s financial and capital position; the ability to access the contingent capital arrangements with HM Treasury; 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.

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.

Agenda

- **Introduction**
- **Citizens**
- **GBM Americas**
- **Questions**

Financial highlights 2011

Core Business:

	FY11	
Operating profit[1]	£6.1bn	R&C underlying[2] up 10%. Strong UK Retail performance
Return on Equity[3]	10.5%	R&C 11.3%, GBM 7.7%, Insurance 10.3%
R&C NIM	3.21% (+7bps)	Asset re-pricing outweighs funding cost increase in 2011
Cost : income ratio[1,4]	60%	Cost programme delivers £3bn of savings, more to come
Impairments	£3.5bn	Down 7% y-o-y, primarily UK Retail and US R&C driven
Loan : deposit ratio[5]	94%	Firmly ahead of target, deposit growth of 2%

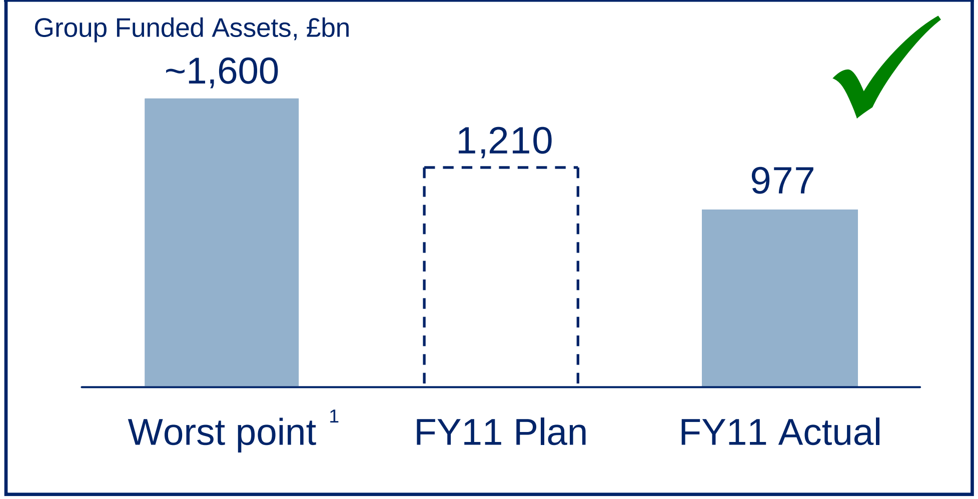
Group Progress:

	FY11	
Operating profit	£1.9bn	Underlying[2] up 11% vs 2010 driven by UK Retail, Insurance and Non-Core
Non-Core funded assets	£94bn	Down £44bn, £22bn from asset sales
Capital strength	10.6%	Risk reduction offsets CRD3 uplift, APS reduction and clean-up losses
Pre-tax loss	£0.8bn	£6.1bn Core Bank operating profit, £8.4bn clean-up costs taken[6]

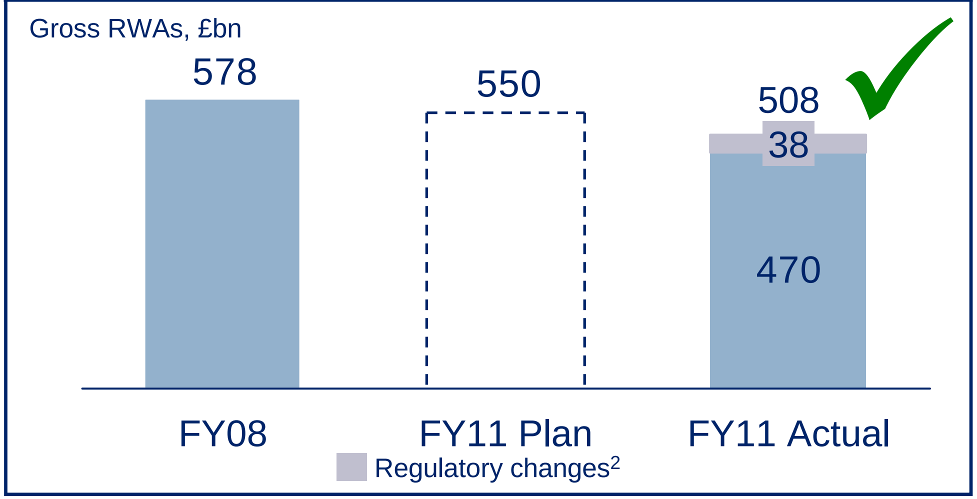
[1] Excluding Fair Value of Own Debt (FVoD). [2] Reported operating profit excluding 2010 disposal of GMS. [3] Equity allocated based on share of Group tangible equity. [4] Adjusted C:I ratio net of insurance claims. [5] Net of provisions.
[6] Includes Non-Core losses (£4.2bn), PPI (£0.9bn), Sovereign debt impairment (£1.1bn) and associated interest rate hedge adjustment (£0.2bn), Restructuring costs (1.1bn), APS charges (£0.9bn), Strategic Disposals (£0.1bn),

Balance sheet improvement is ahead of original plan

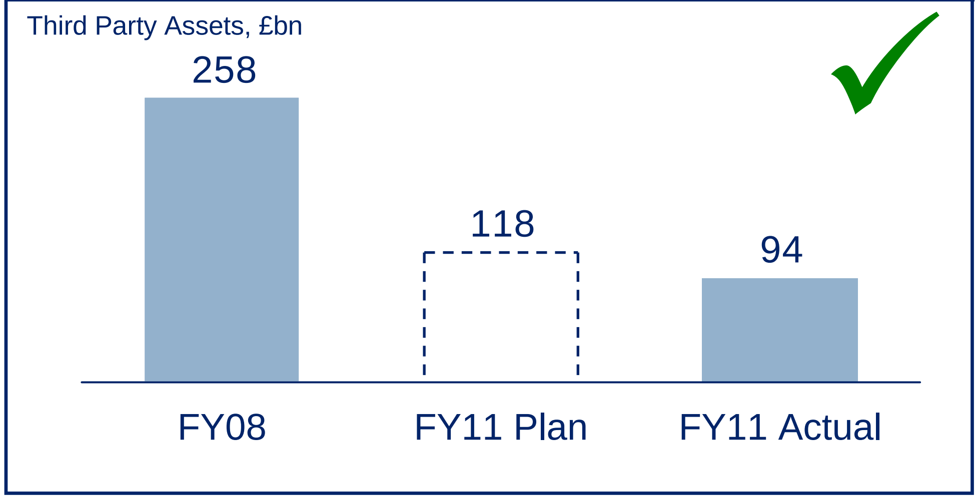
Group Assets



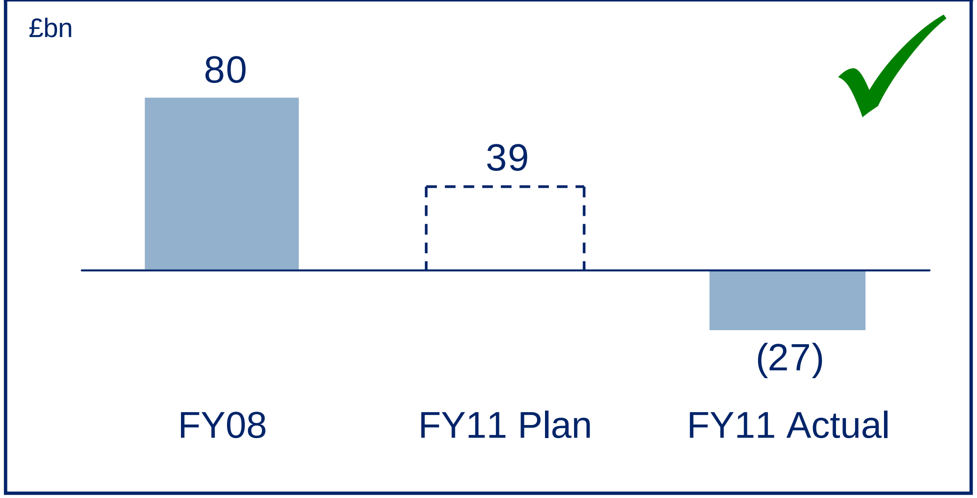
Group Risk Weighted Assets



Non-Core Assets



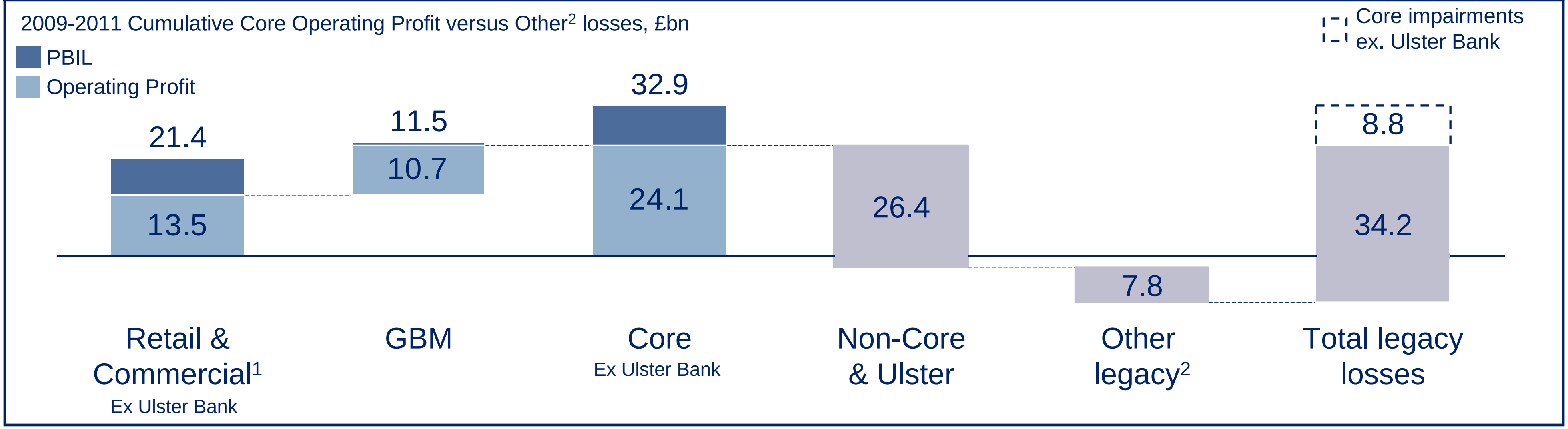
Core Funding Deficit / (Surplus)



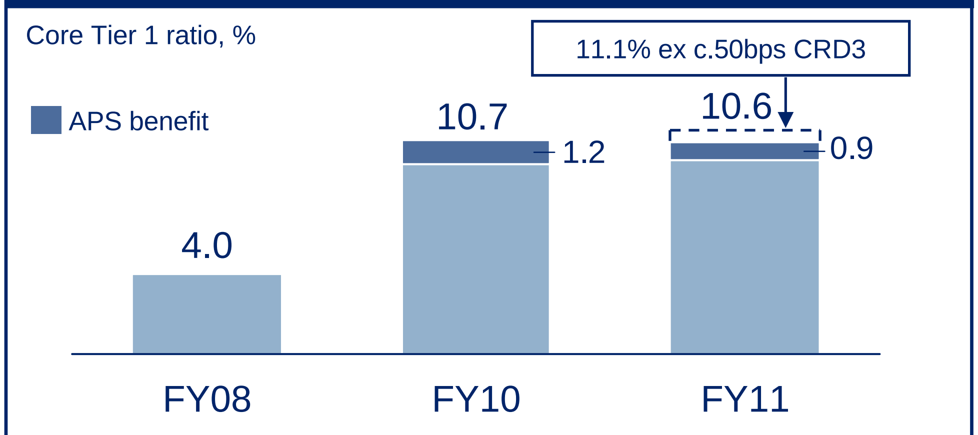
[1] FY07 funded assets, fully consolidated balance sheet. [2] Represents impacts at time of implementation.

Capital levels robust despite balance sheet clean-up

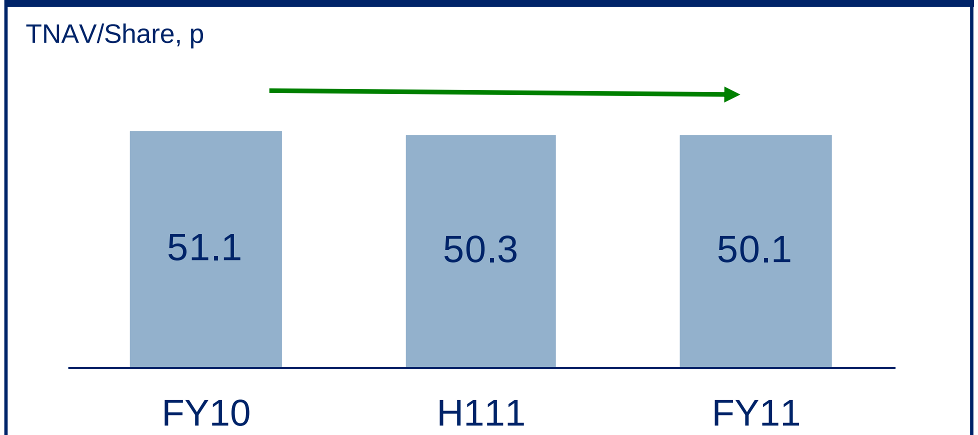
Core earnings generated have allowed us to take legacy losses



Core Tier 1 rebuilt



TNAV maintained

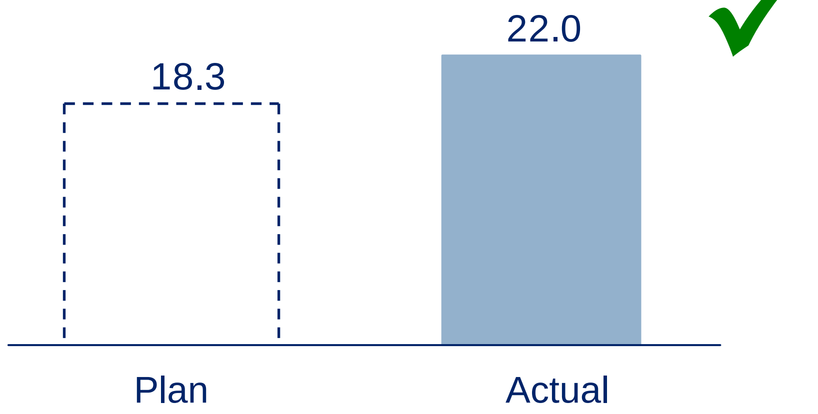


[1] Including Insurance £0.2bn and Central Items £1.1bn. [2] Includes Greek Sovereign debt impairment £1.1bn and associated interest rate hedge adjustment of £0.2bn, PPI £0.9bn, Integration & Restructuring costs £3.4bn, Strategic disposals £0.2bn (positive), APS fee £2.46bn.

RBS profits have exceeded original plan

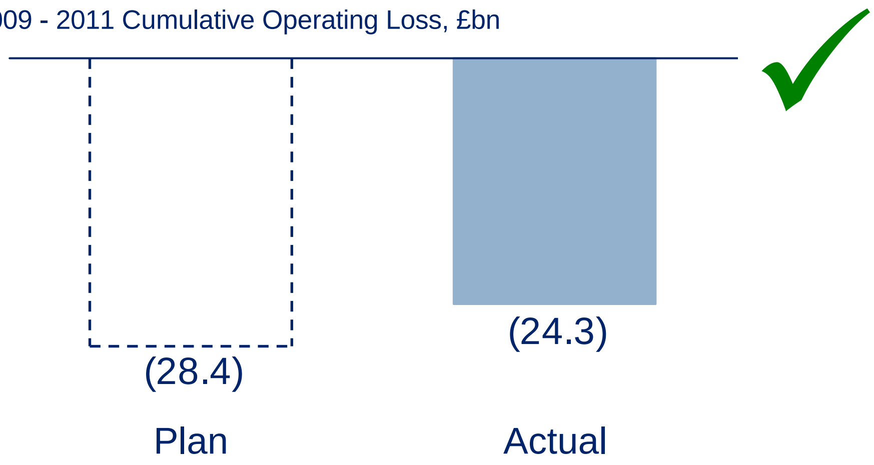
Core Bank

2009 - 2011 Cumulative Operating Profit, £bn



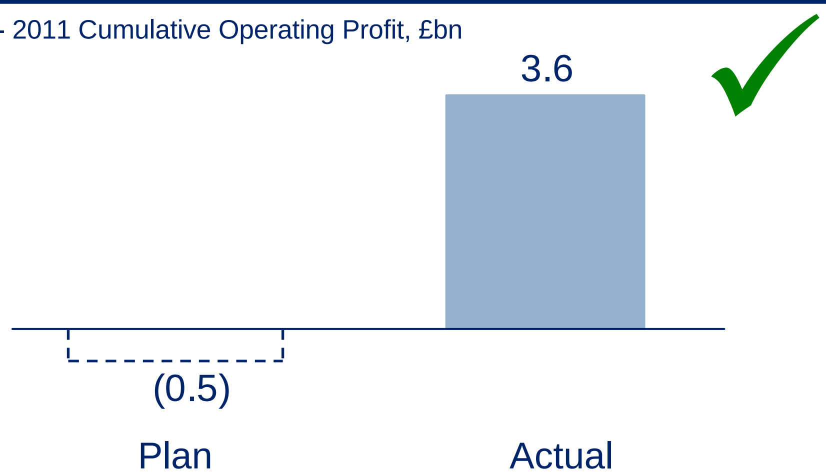
Non-Core

2009 - 2011 Cumulative Operating Loss, £bn



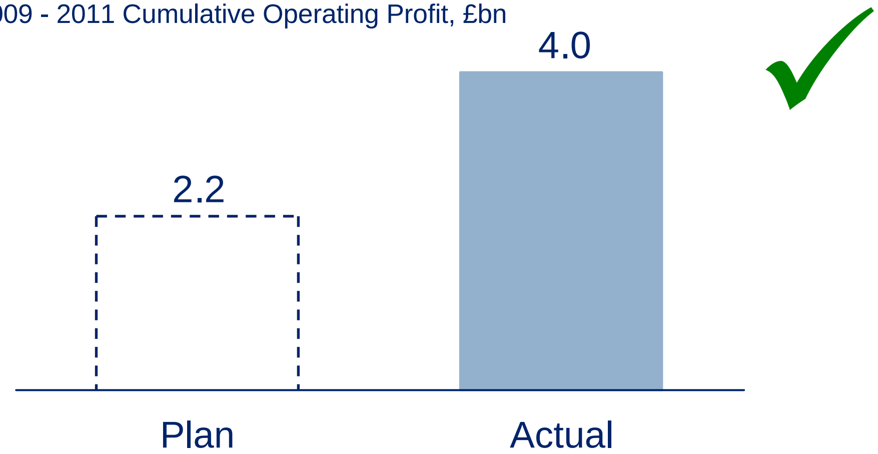
UK Retail

2009 - 2011 Cumulative Operating Profit, £bn



UK Corporate

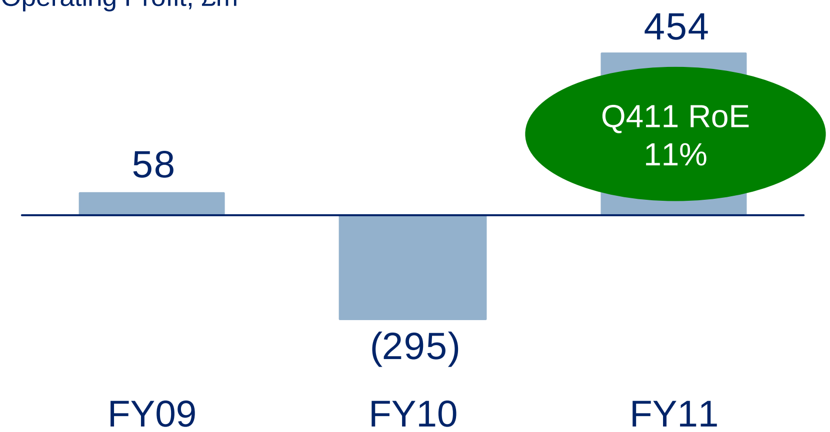
2009 - 2011 Cumulative Operating Profit, £bn



Core: Setbacks are being tackled

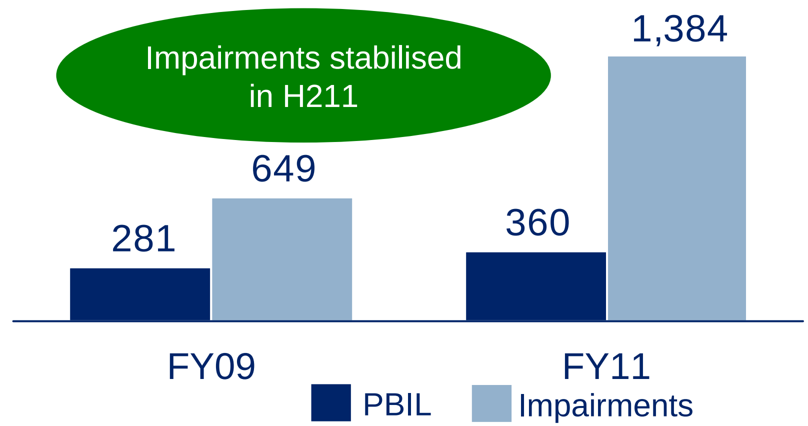
Insurance

Operating Profit, £m



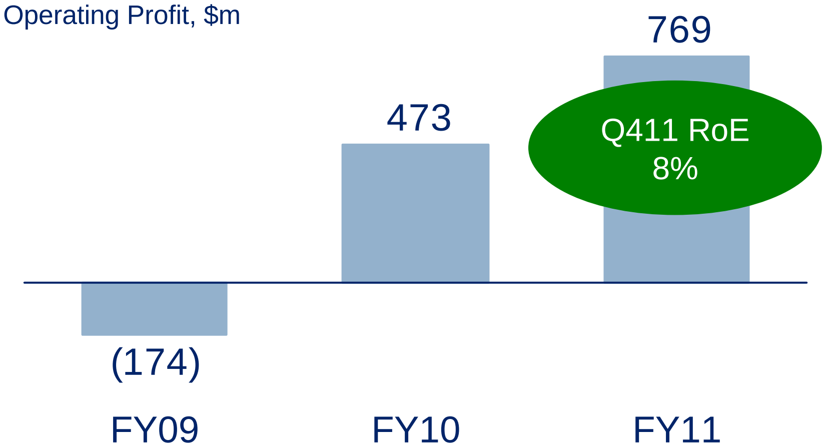
Ulster Bank

Core Ulster Bank Pre-impairment Profit & Impairments, £m



US R&C

Operating Profit, $m



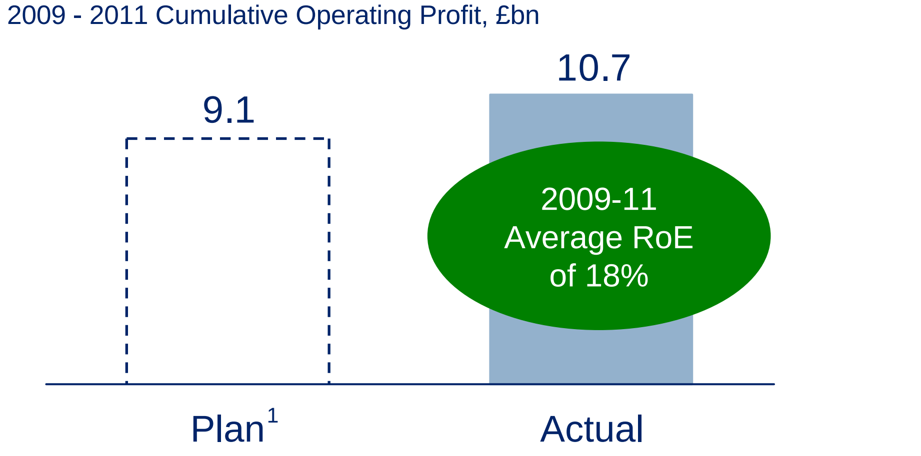
Actions

- **Insurance** experienced elevated BI claims[1]; continues to deliver on turnaround
- **US R&C:** Economic and interest rate recovery delayed; management actions bringing Division back on track
- **Ulster Bank** (Core) impairments and macro out-turn worse than expected; PBIL increased, impairments now stabilised

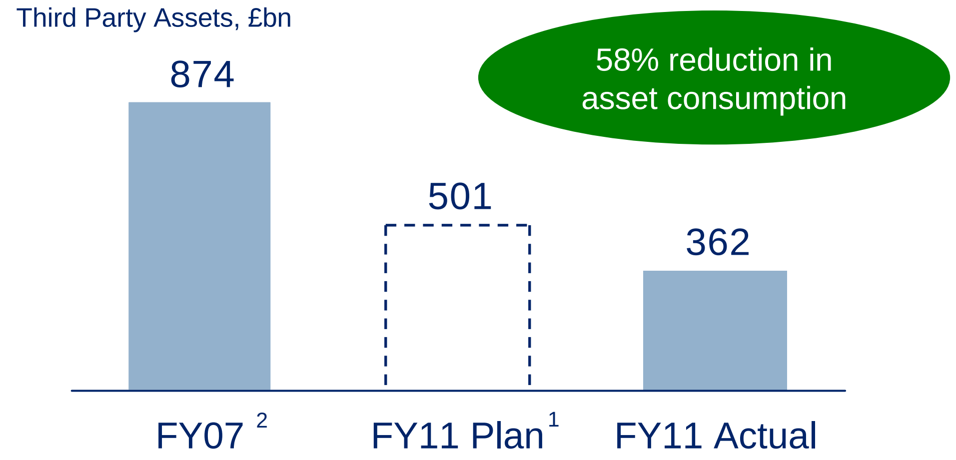
[1] Bodily injury claims.

GBM delivered in a challenging environment

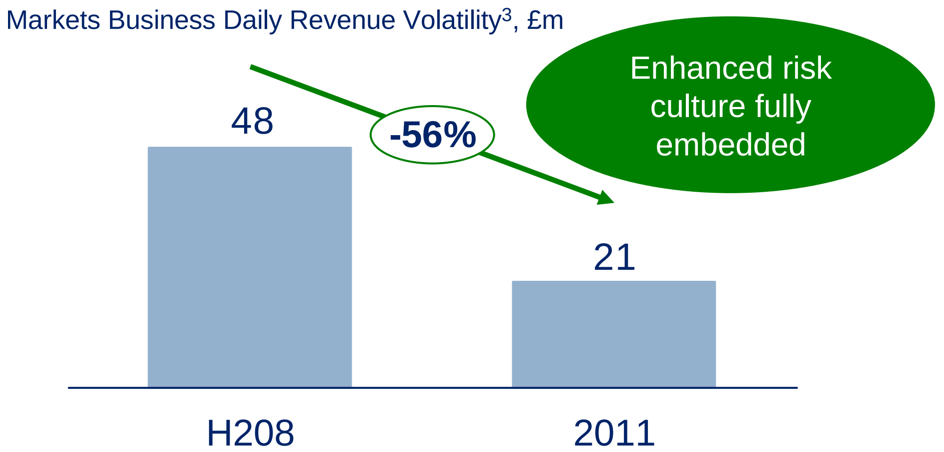
Operating profit ahead of expectations



While using less balance sheet



Risk reduction



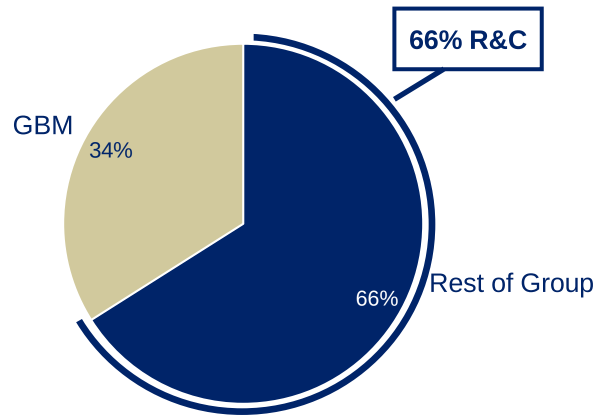
Achievements

- £10.7bn of operating profit generated to facilitate the restructure of the Group
- Profit delivered despite:
  - >50% reduction in balance sheet
  - Reducing risk appetite
  - Business line exits
- Average 2009-11 RoE of 18% compares well with peers

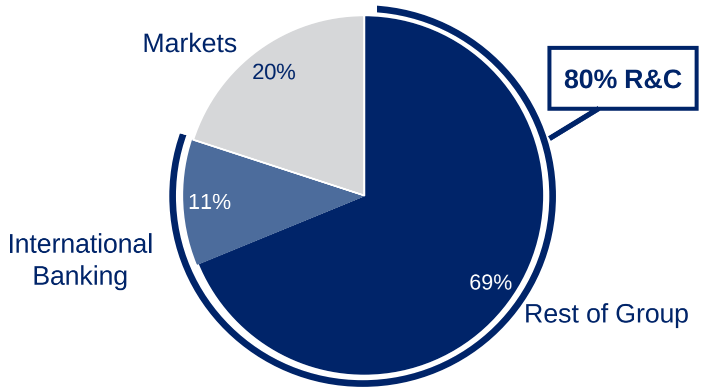
[1] Excluding Sempra. [2] "Old" GBM pre-Core/Non-Core creation. [3] Standard deviation of Markets daily revenue.

GBM management action: adjust business mix, improving sustainable strength & value

FY07 revenues[1], old structure

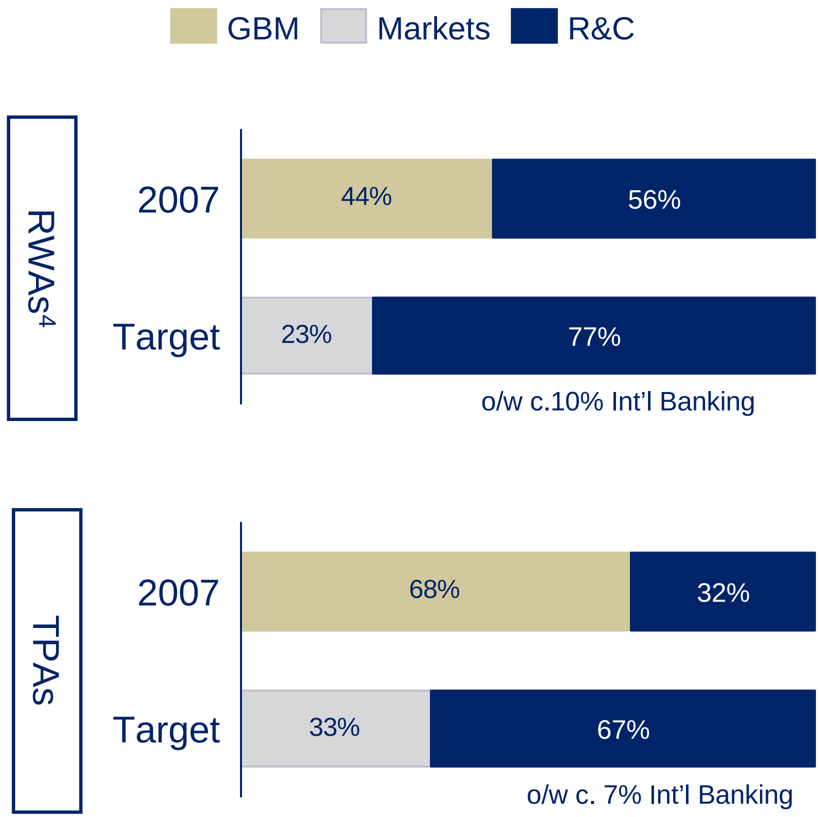


FY11 revenues[2], new structure



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

Balance sheet structure



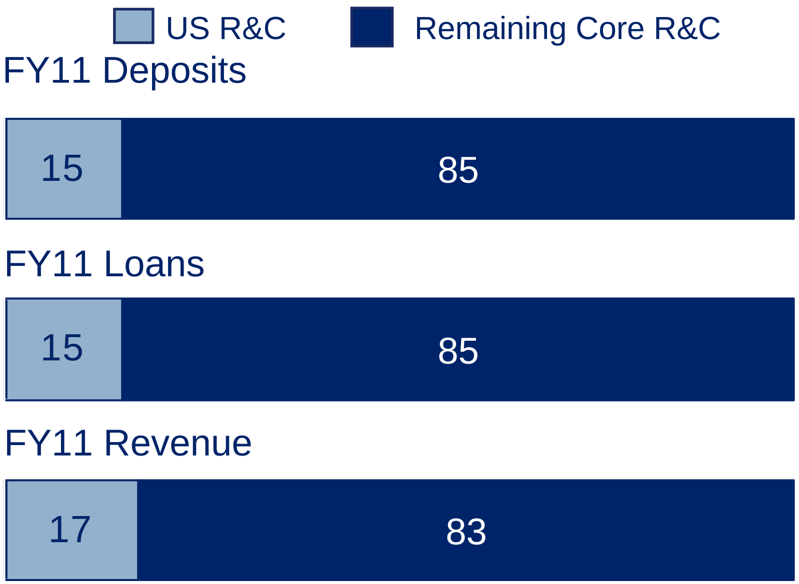
Further shift toward Retail & Commercial

[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.

US operations - Core to the Group

Retail & Commercial[1]

Expect Retail & Commercial to generate c.80% of Core Revenues

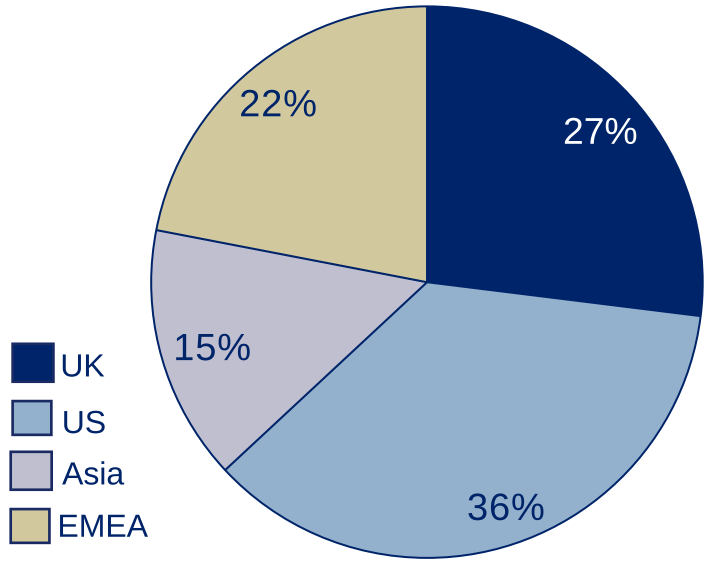


- 2011 profits up $296m (63%) at $769m with strong growth and increased market share in key products
- Attractive funding profile, starting to see Commercial loan growth

Global Banking & Markets

US largest contributor to GBM by geography in 2011; c.36% of revenues

FY11 GBM Revenue Distribution[2]



- GBM Americas is a key part of GBM's global and product proposition
- Consistently strong ROE performance – above overall GBM targets and industry performance.

Total US operations represent c. 21% of Core Group revenues in 2011

1 UK Retail, Wealth, UK Corporate, US Retail & Commercial, Ulster Bank and GTS. 2Total includes Treasury, Exec and FVDL.

Agenda

Introduction

Citizens

GBM Americas

Questions

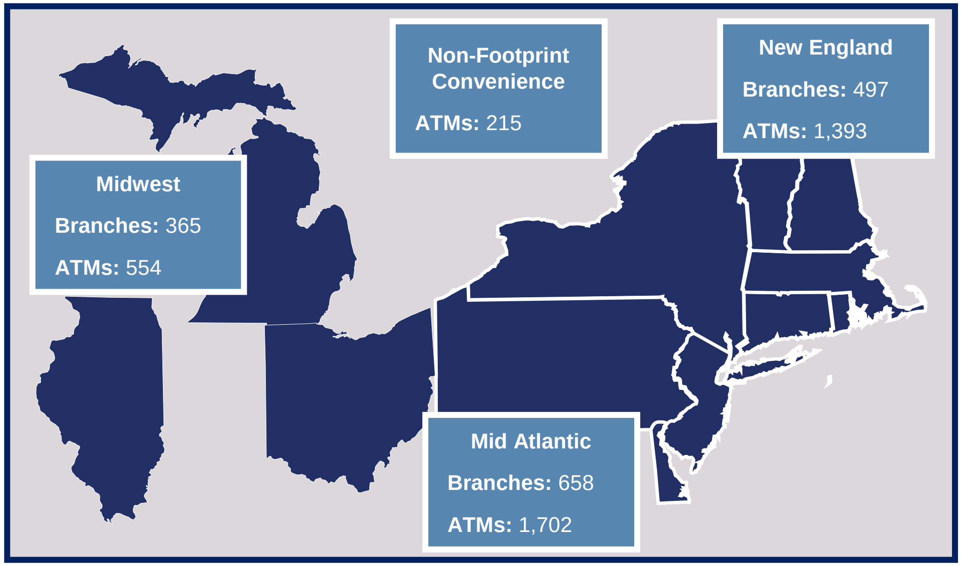
Citizens

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

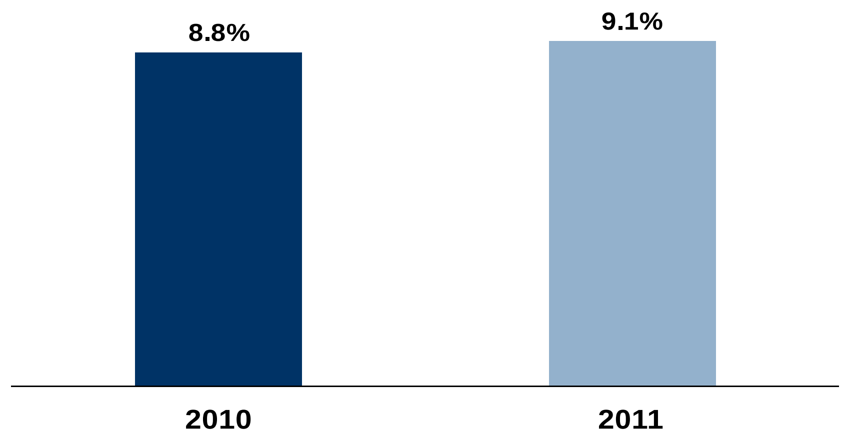
Key Messages

- Solid 2011 financial performance
- Significant realignment of major business lines
- Strong growth and increased market share in key products
- Cost control remained a focus
- Asset quality and capital remained well above the peer average
- Major investments in colleagues and technology
- Cautious but positive 2012 outlook

Citizens Bank Overview



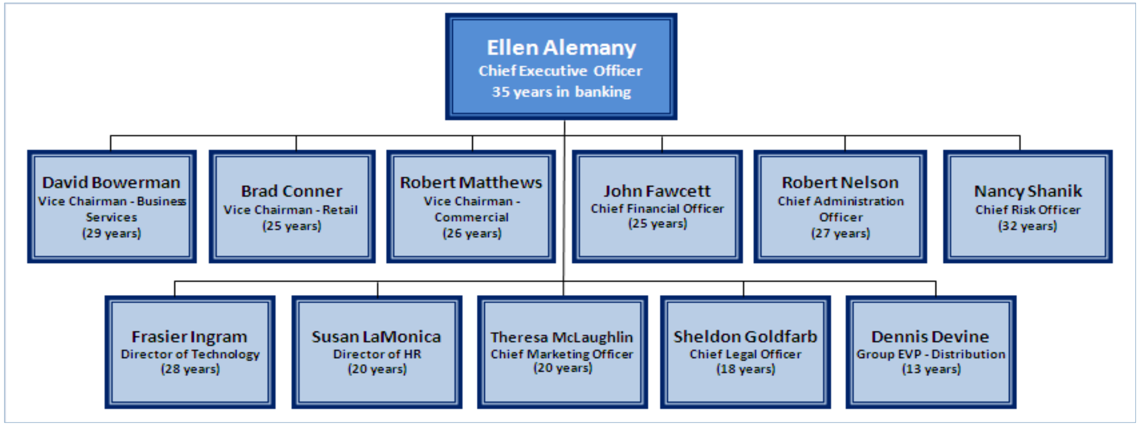
Total Deposit Market Share – Top Ten MSAs



National Distribution Rankings:

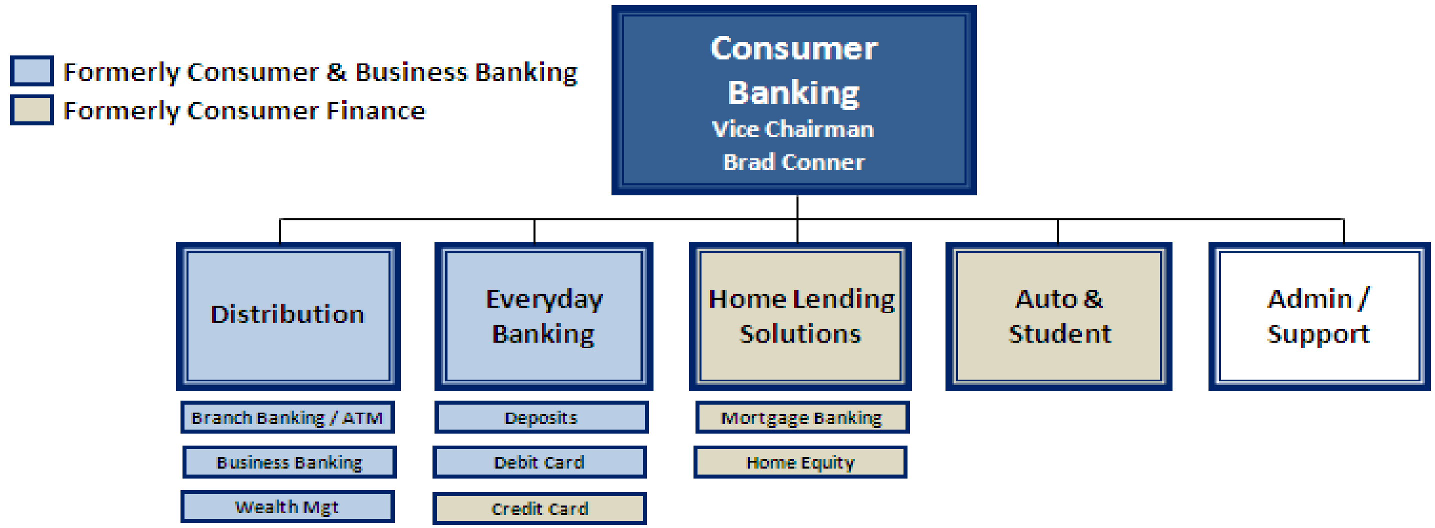
- 9th largest branch distribution
- 7th largest ATM distribution
- 2nd largest in-store franchise

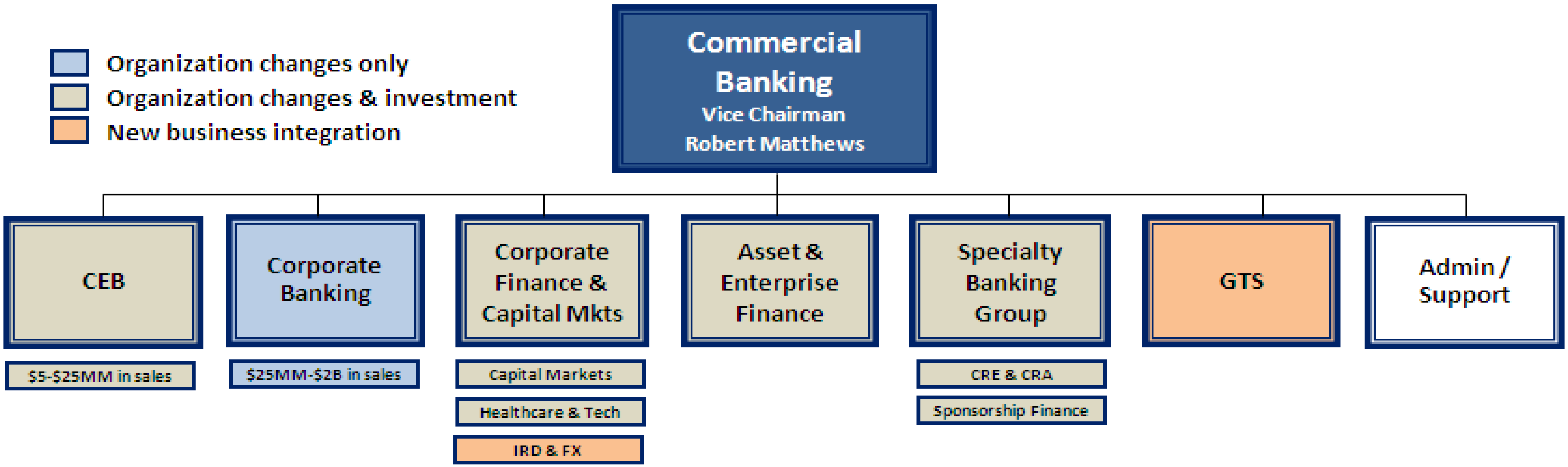
Experienced Management Team



Source: SNL Financial, as of Dec 31, 2011

Business Line Realignment





Financial Performance

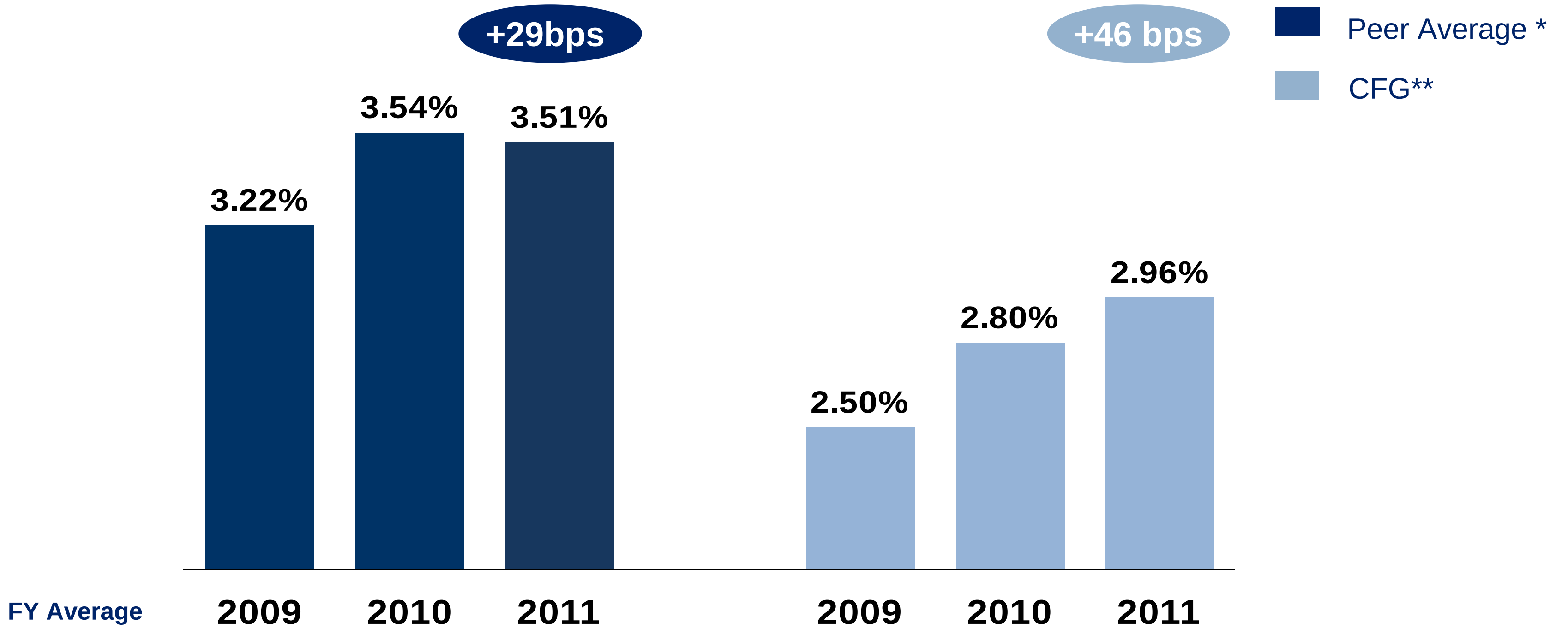
Core USR&C

(IFRS - Excl GTS)

		2009 Actual	2010 Actual	2011 Actual
Appropriate Risk	RWA ($BN) [1]	97	88	91
	Total assets ($BN) [1]	122	111	115
	Customer deposits (spot $BN)	97	91	92
	Loan:deposits ratio (net loans) (%)	80	81	85
	Impairments/L&A (%)	1.4	1.0	0.5
Returns	Notional ROE% - 9%	(1.3)	3.6	6.3
	Notional ROE incl. GTS $	(0.3)	4.3	7.1
	Operating Profit ($BN)	(0.2)	0.5	0.8
Efficiency	Fully loaded C/I (%)	78	72	72
	Total expenses ($BN)	(3.3)	(3.4) *	(3.4)

(1) Spot position, includes allocations
* Excludes pension fund credit

Continuing to improve NIM%



Citizens improved its NIM% 16 bps in 2011 (peer banks declined 3bps) by focusing on:

- Optimizing loan pricing
- Improvements in deposit mix
- Strategic balance sheet restructuring

* Includes: BBT, CMA, FITB, KEY, MTB, PNC, RF, STI, USB

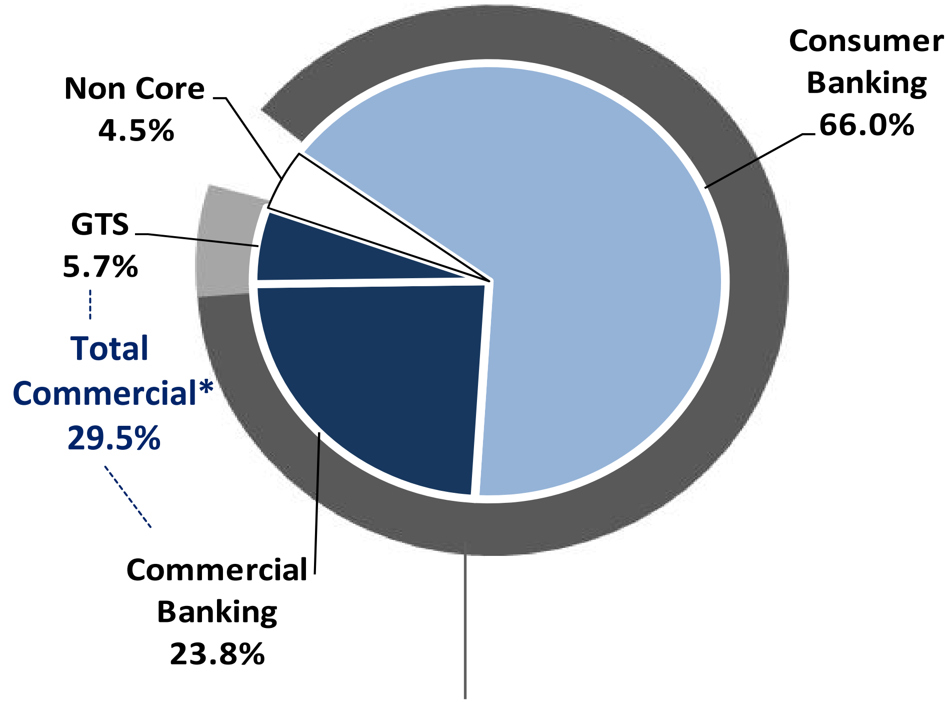
** Legal entity view, not Core U.S. Retail & Commercial to allow comparison to peers

Source: Regulatory data

Working towards a balanced mix

Citizens currently has a diverse business…

Revenue 2011



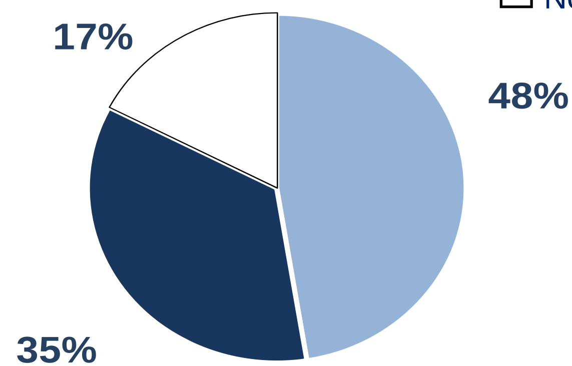
* In 2012, GTS will be integrated into Core Commercial Banking

…and continues to rebalance its asset mix

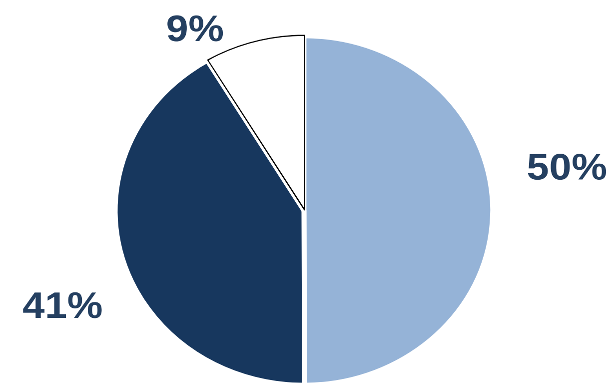
Assets

Consumer
Commercial
Non Core

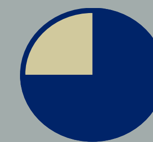
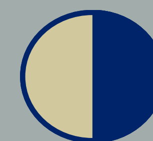
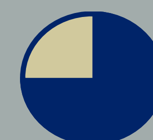
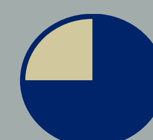
FY 09



FY 11



Original Strategic Objectives from 2009 Plan

Objective	Initiative	Level of Completion
Rebalance the business mix	Create **absolute alignment** within Consumer Banking Improve retail **mortgage capacity** Increase proportion of **Commercial Banking**	
Capture under-penetrated segments	Continue to investment in **capital markets** capabilities Referral partnership with **middle market investment bank** Optimize and grow **Commercial Enterprise Banking**	
Manage down risk and losses	**Restructure portfolio** into Core and Non Core businesses Manage down Non Core portfolio	
Enhance control / strengthen balance sheet	Implement a formal **risk appetite** framework Build out **technology platforms** Sustain deposit growth and **improve mix**	

Improvements in the Distribution Model

Consumer Banking

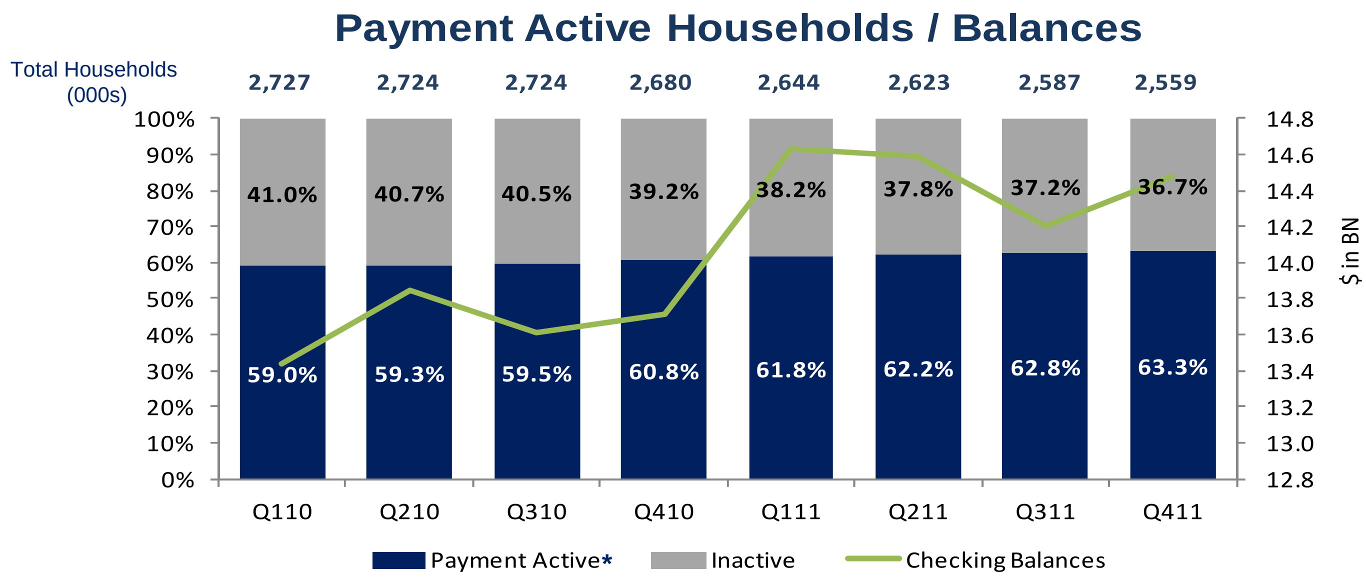
- Continued to optimize the branch network through consolidation and divestitures
- Implemented 170 intelligent deposit machines with 1,700 planned
- Investments in Online Banking – iPad and Android launching in 2012
- Launched Facebook page in 2011 and built a community of ~30,000
- Mortgage loan officers up 85 in 2011 bringing the total to ~400

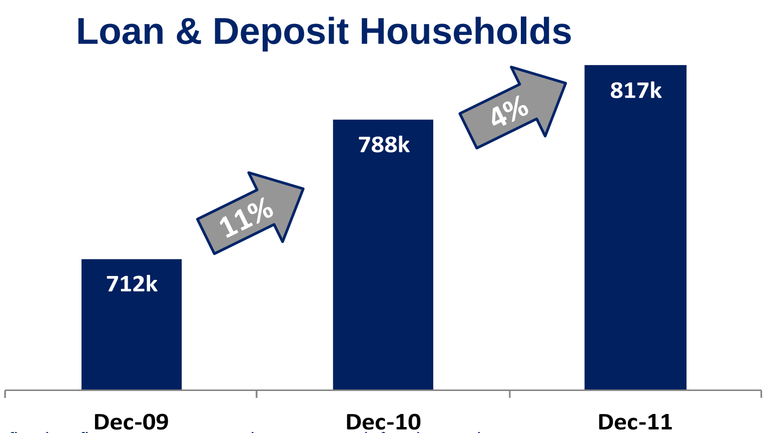
Commercial Banking

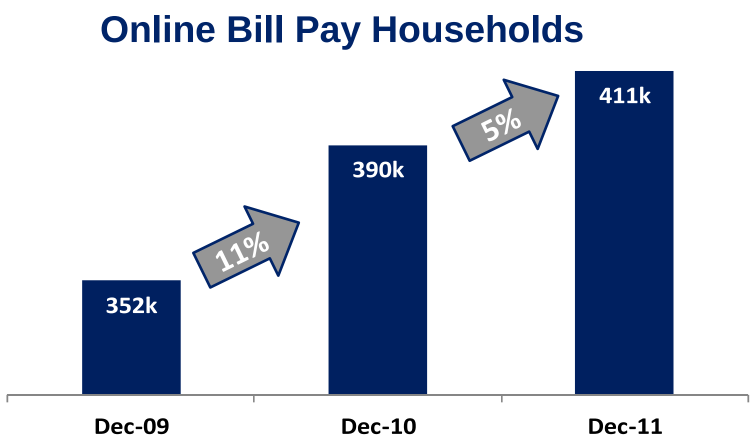
- New portfolio manager model provides better client service / credit solutions, allows RM to focus on acquisition and relationship expansion activities
- Made key senior hires in Capital Markets and grew team from 3 to 19
- Continued to build-out of specialty vertical lines of business
- Enhanced new business acquisition through 3rd party lead generation
- Reintegrate GTS and IRD/FX into the Commercial distribution model

Deepening the Consumer Customer Relationships

Citizens' customer metrics demonstrates its continued focus on deepening customer relationships and larger share of wallet







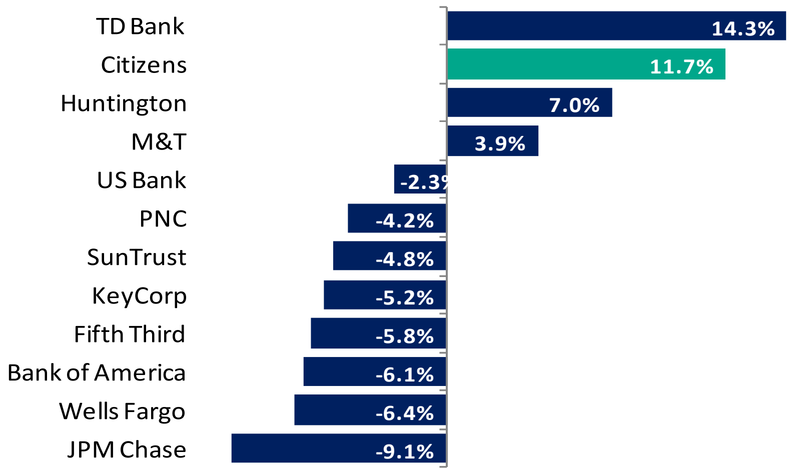
*Active accounts defined as five or more transactions per month for six months.

Consumer Lending Growth and Penetration

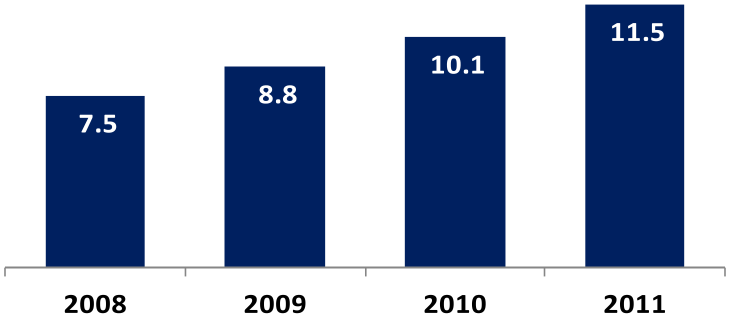
Consumer Lending continues to grow its core businesses…

… and improve alignment with the branch franchise

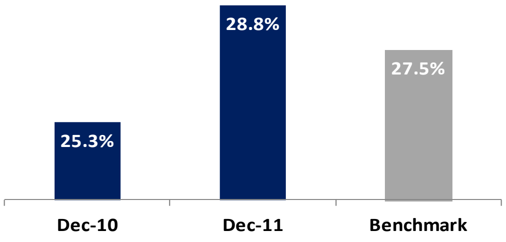
HELOC Balance Growth YoY



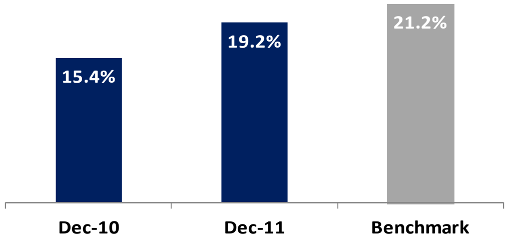
Monthly Card Sales per Branch



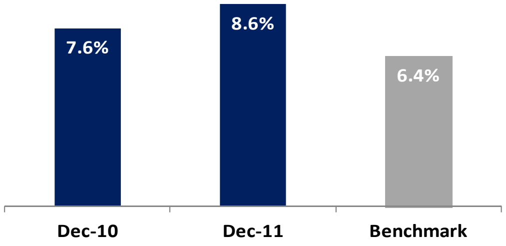
Deposit HH w/Consumer Loan



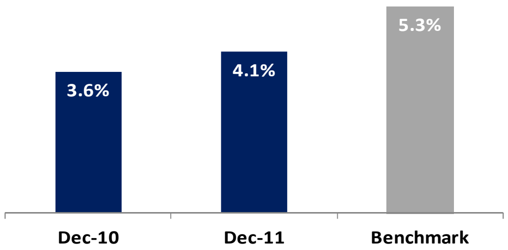
Deposit HH w/Credit Card



Deposit HH w/HELOC



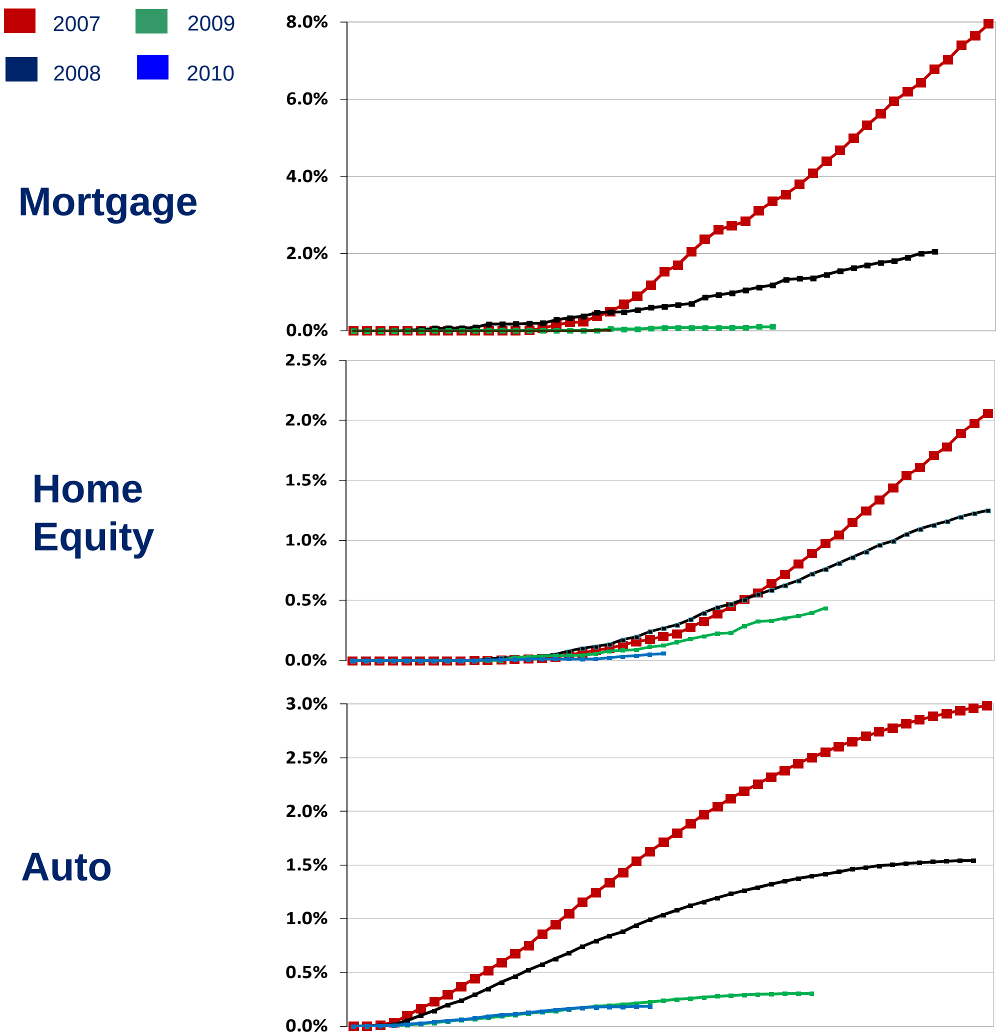
Deposit HH w/Mortgage



Benchmarks from BAI Nov 09 study

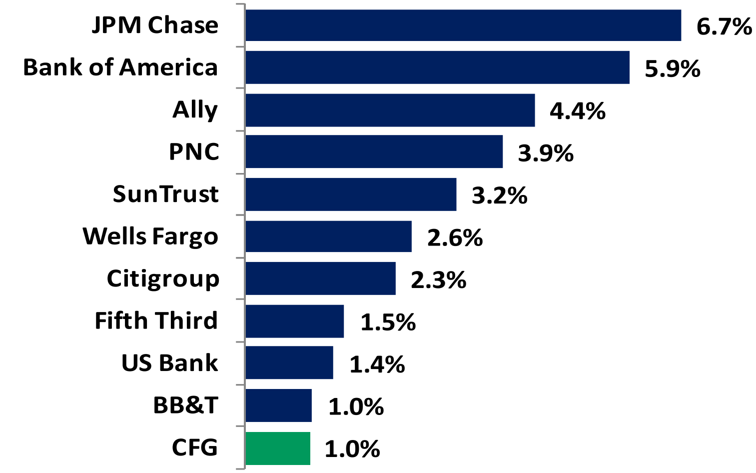
Consumer Asset Quality Improves

Vintage cumulative loss performance continues to improve

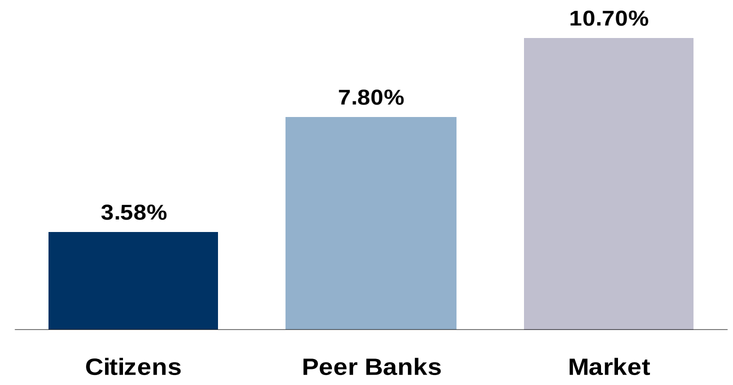


Citizens has a much smaller foreclosure portfolio and stronger asset quality

Loans in Foreclosure / Total Serviced Loans



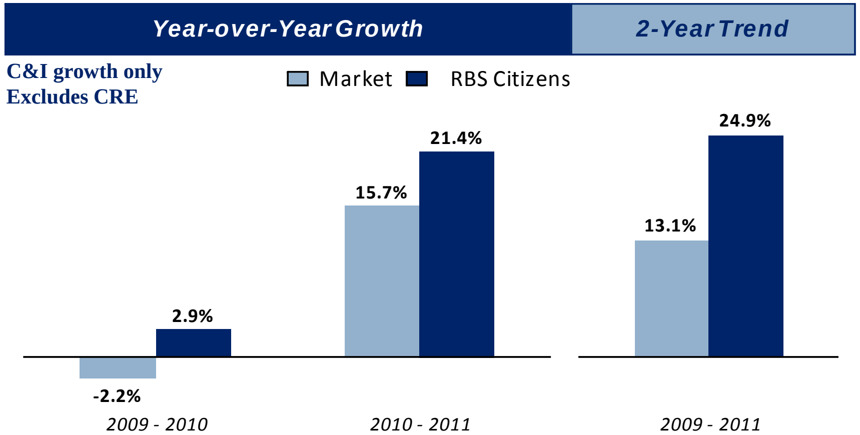
1-4 Family – Non Current Loans



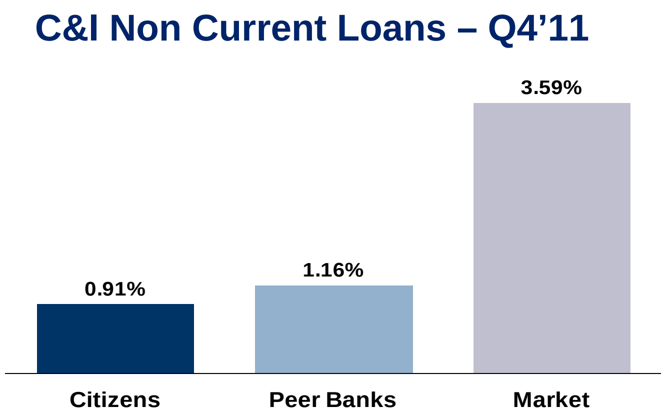
Commercial Banking Summary

- Significant business line realignment and colleague investments were made in 2011
- Continued build out of specialty vertical businesses (i.e. Healthcare and Technology)
- Significantly expanded capital markets capabilities and fee generation
- Expect to execute partnership with middle market investment bank in Q2'12
- Plans underway to reintegrate GTS and IRD/FX into Commercial Banking

C&I loan growth outpaced the market on an aggregate basis



Asset quality is in-line with peers and better than the market average



Commercial Customer metrics indicate service and capabilities are improving

GREENWICH ASSOCIATES

		Commercial Enterprise Banking **		Middle Market **	
		2010	2011	2010	2011
Relationship Manager	Loyalty - Likelihood to Recommend	62%	81% ↑	66%	90% ↑
	Proactively Provides Advice & Solutions	59%	75% ↑	69%	84% ↑
	Effectively Coordinating Product Specialists	58%	79% ↑	71%	83% ↑
Client Loyalty & Net Promoter	Overall Client Loyalty	73%	75% ↑	73%	80% ↑
	Net Promoter*	24	35 ↑	20	39 ↑
Treasury Management	Product Capabilities	80%	80% –	72%	86% ↑
	Accuracy of Operations	81%	85% ↑	83%	92% ↑
	Client Service	79%	90% ↑	82%	90% ↑

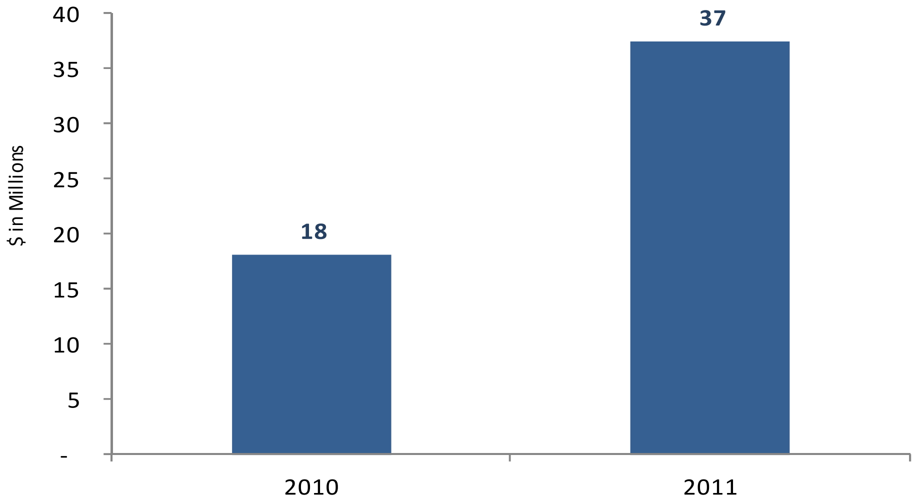
*Net Promoter is the measurement of whether a client is likely to refer the bank to others and calculated by taking the percentage of clients who are Promoters and subtracting the percentage who are Detractors

** Source: 2011 Greenwich Associates Market Tracking Program (Citizens Bank – Footprint – Commercial Enterprise Banking $5-25MM annual sales & Middle Market $25-$500MM annual sales – Full Year 2011).

Vertical Specialties and Capital Markets

Healthcare & Technology Growth

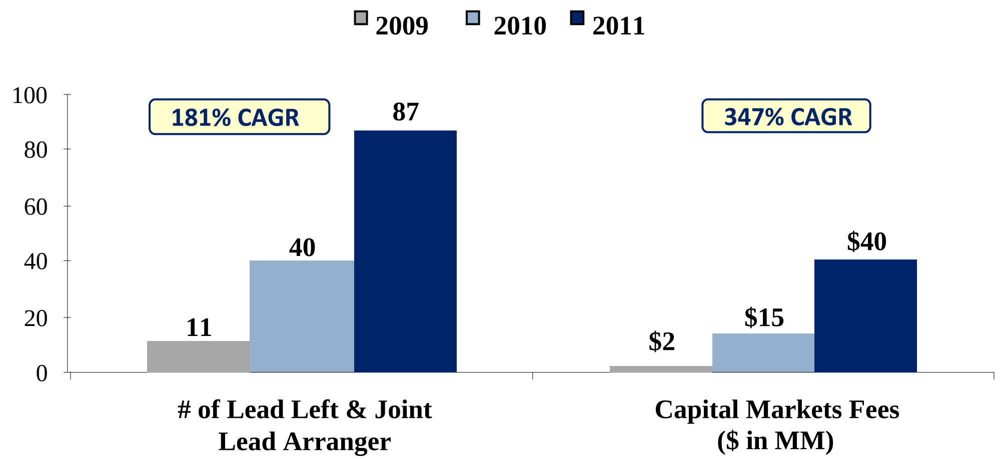
Total Revenue Growth



- 30 net new clients with 7 lead bank mandates resulting in over a 100% increase in revenue and operating contribution
- Loans increased over 300% and deposit balances grew to fully fund loan growth
- Strong fee-based revenue from creative business solutions driving high returns on economic capital

Capital Markets Growth & Penetration

Capital Markets Growth



- Capital market fees have grown exceptionally since 2009
- 40 out of 42 “lead left” agencies have been cross-sold or retained cash management services

Regulatory Mitigation Strategy

Reg E / Opt In	Dodd - Frank Durbin Amendment

Mitigation Highlights

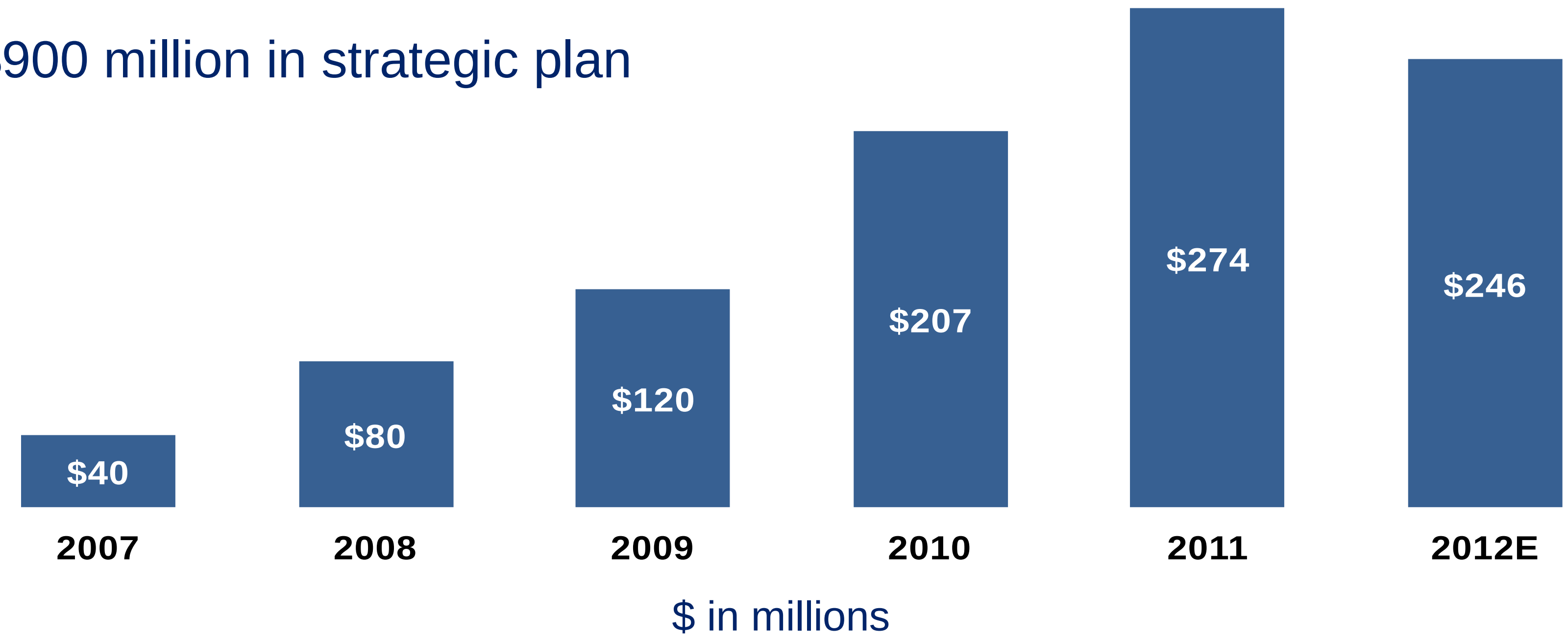
- Eliminating free checking for inactive and low balance customers
- Statement fees on paper statements
- Eliminated free savings accounts
- Removed fee waivers
- Raised foreign ATM fees and reduced/removed free from us
- Raised ancillary fees (wire, fx, stop payment, etc)
- Restructured or eliminated rewards

Despite a challenging regulatory environment, strategies are in place to mitigate the impact

Planned Technology Investments

CFG is strategically investing in technology

- $900 million in strategic plan



Planned highlights for 2012 include:

- Branch Image Capture
- Intelligent Deposit Machines
- Auto Finance Origination System
- Electronic Data Interchange
- Commercial Loan System
- Desktop Virtualization

Well Positioned For Success

- Successful repositioning of all major business lines
- Build on the momentum of C&I and Capital Markets growth
- Continue to improve on Consumer Lending penetration
- NIM situated for increase as rate environment improves
- Cross sell Treasury Solutions (GTS) products
- Generate revenue from middle market investment banking partnership
- Strategic investments in colleagues and technology

John Fawcett

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

Income Statement

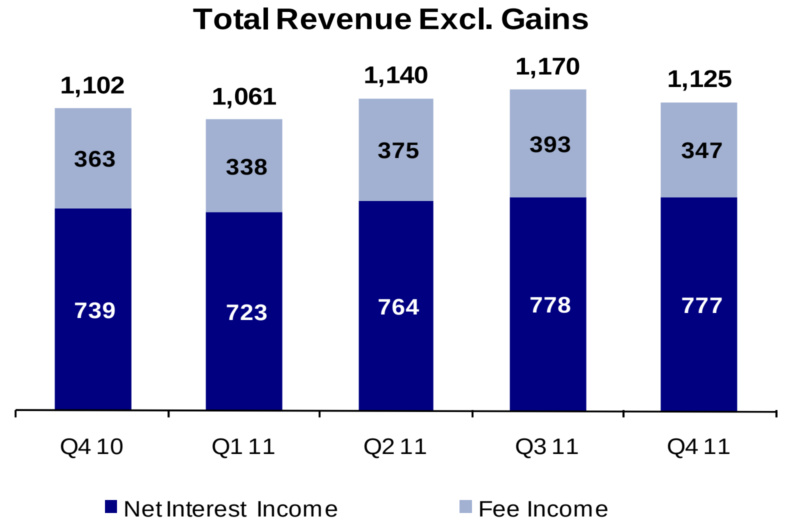
US Retail & Commercial
IFRS - $MM

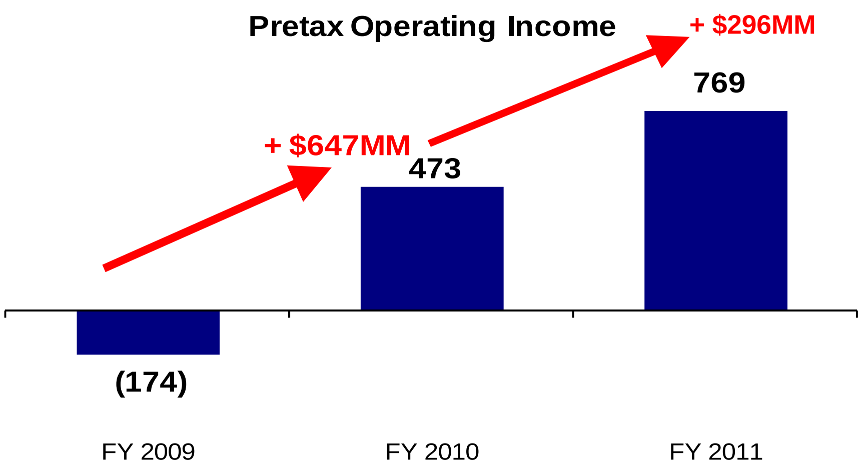
	FY 11 Actual	B/(W) vs. Prior Year $	%
Net Interest Income	**3,042**	**80**	**3%**
Fee Income	1,453	(55)	(4%)
Gains & Losses	158	75	91%
Non Interest Income	**1,611**	**20**	**1%**
Total Revenue	**4,653**	**100**	**2%**
Staff Expense	(1,313)	(101)	(8%)
Other Operating Expense	(874)	6	1%
Total Direct Expenses	**(2,187)**	**(95)**	**(5%)**
Business Services Allocations	(1,047)	3	0%
Group Centre Allocations	(129)	10	7%
Total Expenses	**(3,363)**	**(82)**	**(2%)**
Pretax Pre Impairment Operating Earnings	**1,290**	**18**	**1%**
Impairment Losses	(521)	278	35%
Pretax Operating Profit	**$ 769**	**$ 296**	**63%**
		Inc/(Dec) vs. Prior Year	
Average Balance Sheet ($BN):			
Loans (and leases incl LHFS)	76.4	(0.3)	(0%)
Earning Assets	99.4	(4.6)	(4%)
Customer Deposits (excl Repos)	90.6	(3.4)	(4%)
RWA (spot - including Allocations)	91.0	2.6	3%
Loans (Net):Deposits (excl Repos)	85%	4%	NM
CI Ratio	72.3%	0.2%	NM
Return on Equity (9% of Avg. RWA)	6.3%	2.7%	NM
Headcount:			
FTE (December)	15,195	(526)	(3%)
NIM % (excl Allocations)	3.10%	0.21%	NM

Selected Pro Forma Financial Information with US GTS	FY 2011	B/(W) vs. Prior Year $	%
Total Income	$ 4,878	$ 115	2%
Total Expenses	(3,478)	(96)	(3%)
Impairment Losses	(524)	279	35%
Pretax Operating Income	**$ 876**	**$ 298**	**52%**
		Inc/(Dec) vs. Prior Year	
Loans:Deposits Ratio (excl Repos)	85%	4%	NM
CI Ratio (incl Allocations)	71.3%	0.3%	NM
ROE	7.1%	2.8%	NM
Headcount	15,396	(522)	(3%)

Note: GTS included CFG internal allocations as a proxy

Environment stable, but challenging

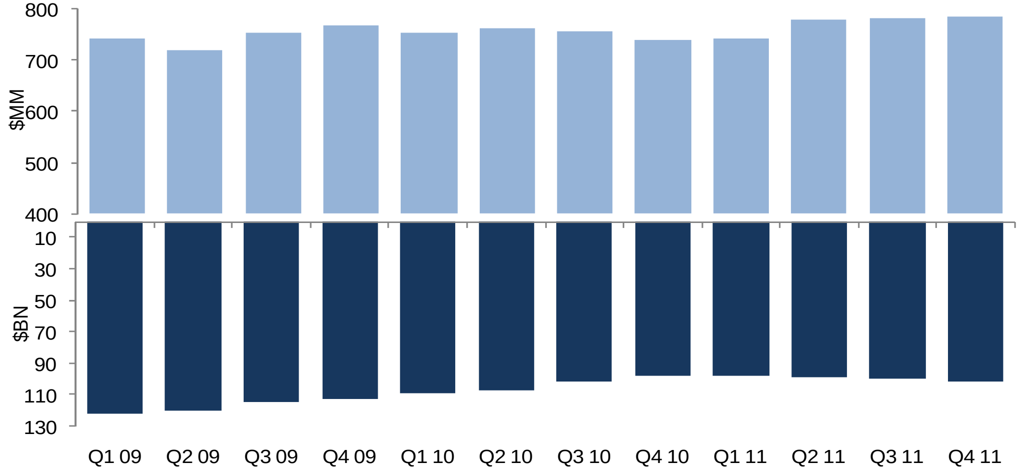




Revenue Composition

IFRS

Benefit of deposit mix / pricing and commercial loan growth



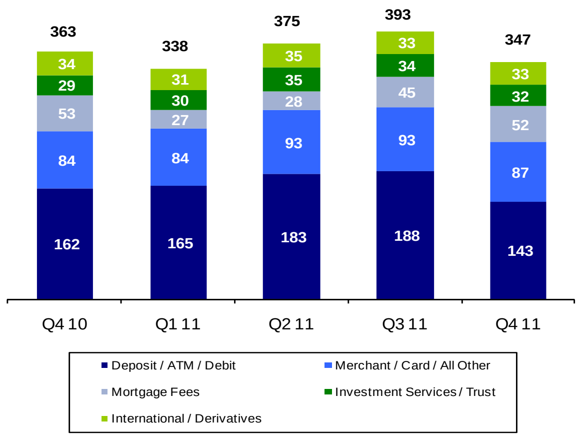
Doing more with less

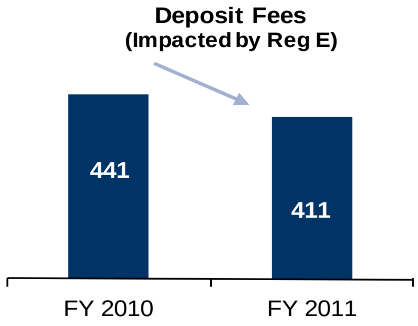
	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Net Interest Income* ($MM)	743	720	755	767	753	762	756	739	742	780	781	784
Avg. Earning Assets ($BN)	122	120	115	113	109	108	102	98	98	99	100	102

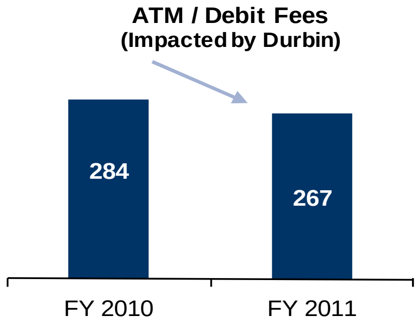
* Excludes RBS Treasury allocation

Higher account and transaction fees mitigate the impact of legislative changes

Fee Income

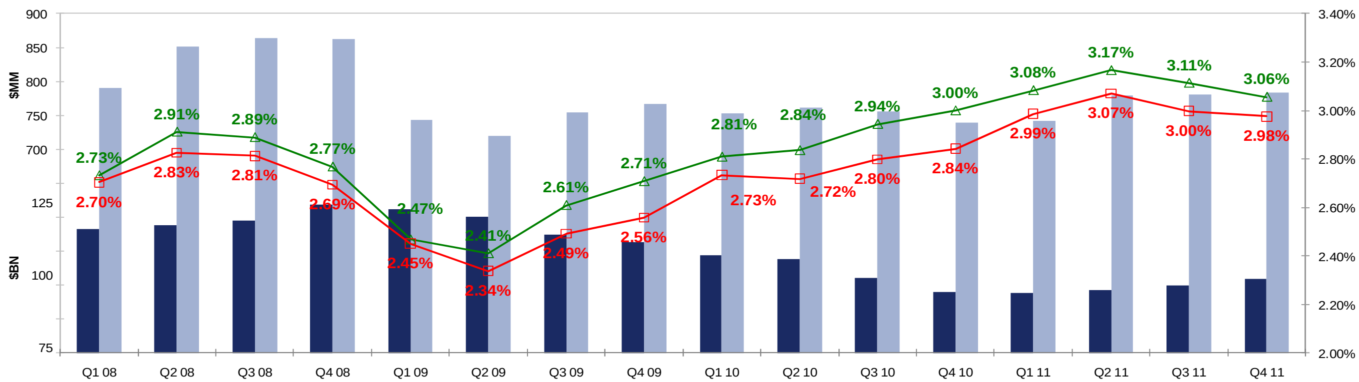


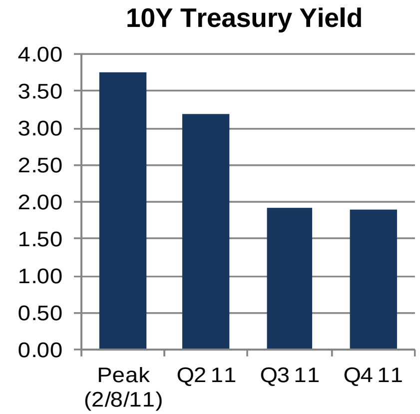




Net Interest Margin Trend

NIM% increased 8 consecutive quarters prior to Q3'11 headwinds.
Continuing to close gap with peers





IFRS - $MM	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Avg. Earning Assets ($BN)	116	118	119	124	122	120	115	113	109	108	102	98	98	99	100	102
Net Interest Income ($MM)*	791	852	863	861	743	720	755	767	753	762	756	739	742	780	781	784
Core US R&C NIM %	2.73%	2.91%	2.89%	2.77%	2.47%	2.41%	2.61%	2.71%	2.81%	2.84%	2.94%	3.00%	3.08%	3.17%	3.11%	3.06%
Total CFG NIM %	2.70%	2.83%	2.81%	2.69%	2.45%	2.34%	2.49%	2.56%	2.73%	2.72%	2.80%	2.84%	2.99%	3.07%	3.00%	2.98%

*Excludes RBS Treasury Allocation

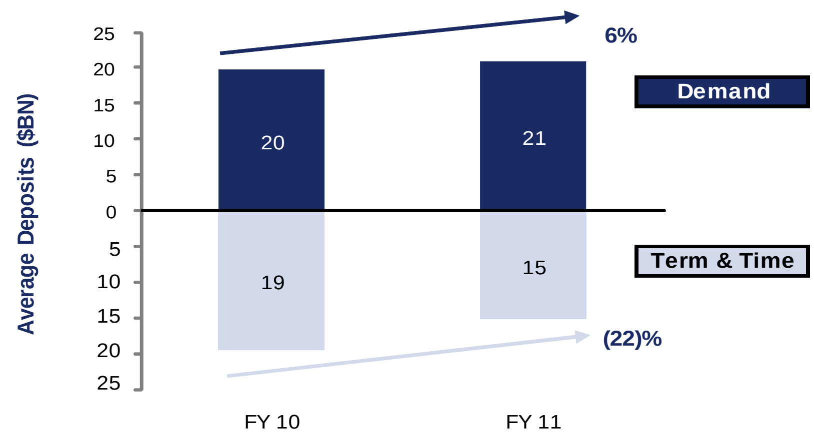
Peer NIM Ranking

GAAP

	Q3 11	Q4 11	B/(W) bps	P.A. Impact on Q3'11 NIM%	P.A. Impact on Q4'11 NIM%
BB&T	4.12%	4.04%	(8)	27 bps	26 bps
PNC	3.93%	3.90%	(3)	49 bps	45 bps
Fifth Third	3.68%	3.70%	2		
M&T Bank	3.71%	3.63%	(8)		
U.S. Bancorp	3.67%	3.62%	(4)	16 bps	15 bps
SunTrust	3.52%	3.49%	(3)		
Comerica	3.19%	3.20%	1	20 bps	19 bps
KeyCorp	3.07%	3.11%	4		
Regions	3.06%	3.10%	4		
Citizens	**2.99%**	**2.95%**	**(4)**		

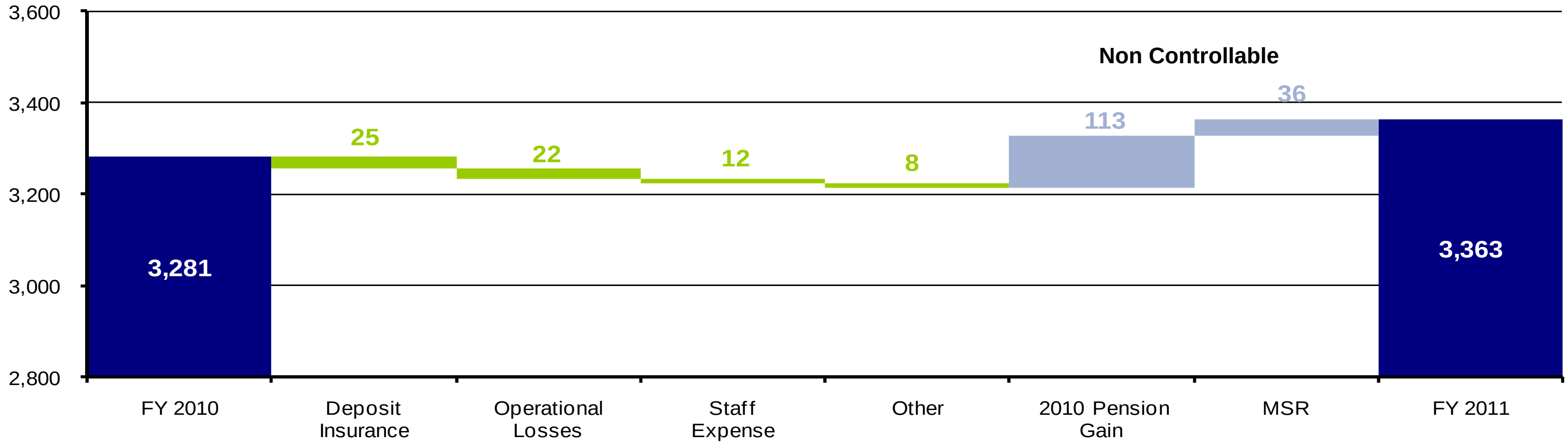
Source: SNL Financial

Continue to manage deposit mix



Total Expense

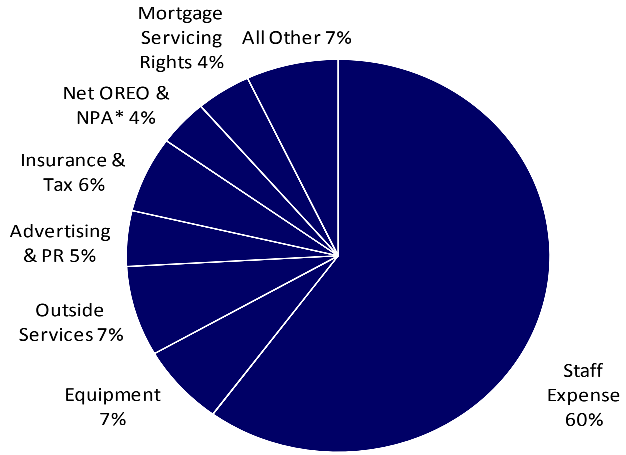
IFRS - $MM



Underlying decrease 2%

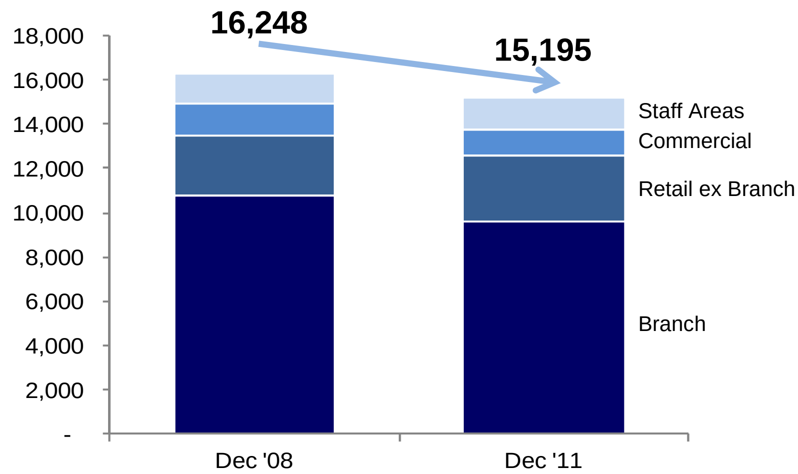
Total expenses reduced (excluding impact of the one time IFRS benefit associated with the freeze of the defined benefit plan taken in Q2'10) and remain a key focus.

FY 2011 Direct Expense



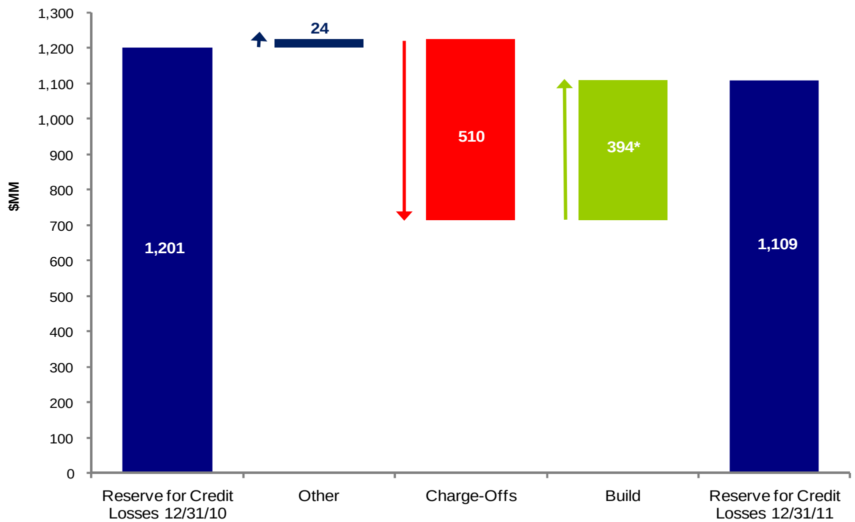
*Net Other Real Estate Owned & Non–Performing Assets costs

Headcount



Credit

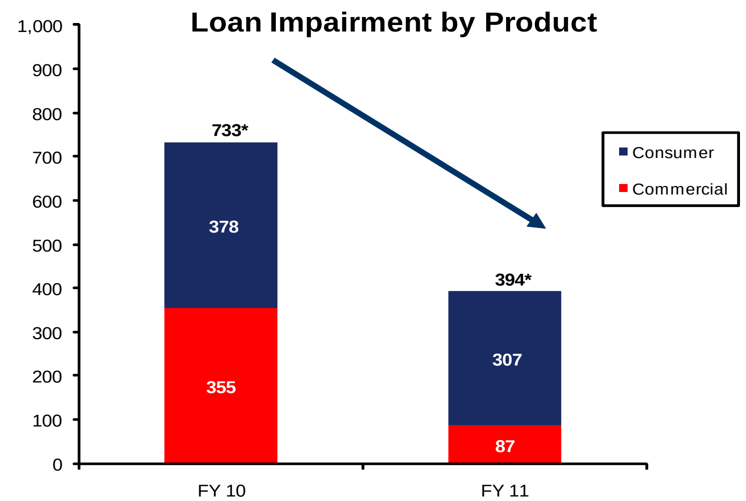
US GAAP - $MM



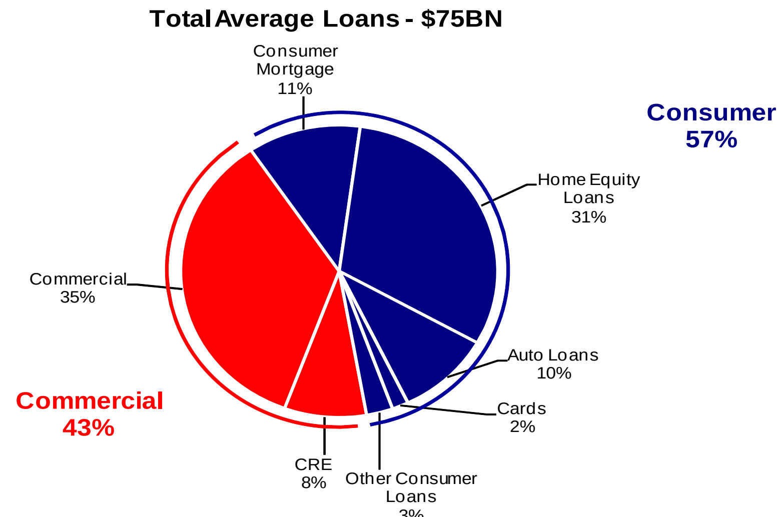
*Difference due to OTTI losses and IFRS adjustments.

	FY 11			FY 10	
	$		bps	$	bps
Corporate Banking	53.4	↓	0.34%	123.8	0.90%
CRE	50.0	↓	0.79%	112.2	1.61%
All Other Commercial	12.7	↑	0.14%	4.1	0.05%
Total Commercial Loans	**116.1**	↓	**0.37%**	**240.2**	**0.84%**
Business Banking	42.8	↓	2.94%	52.4	3.21%
Automobile	9.7	↓	0.13%	35.9	0.46%
Home Equity	174.6	↑	0.75%	181.2	0.74%
Credit Cards	54.8	↓	4.34%	82.7	6.51%
Student Loans	1.4	↑	0.13%	0.2	0.01%
RV / Marine	11.8	↑	2.97%	-	NA
Residential Mortgages	57.5	↓	0.66%	75.2	0.81%
Overdrafts	23.4	↔	NA	30.4	NA
All Other Consumer	18.4	↓	3.35%	24.1	4.07%
Total Consumer	**394.3**	↓	**0.89%**	**482.1**	1.03%
Total Charge-offs	**510.4**	↓	**0.68%**	**722.3**	**0.96%**

Steadily improving credit quality



* Business Banking included in Commercial.



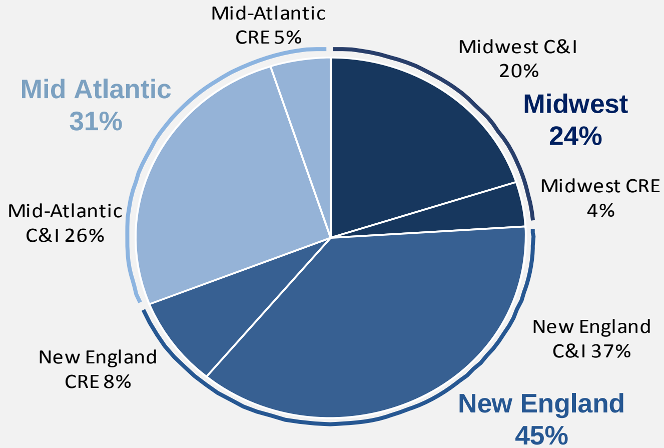
Credit

US GAAP - $BN

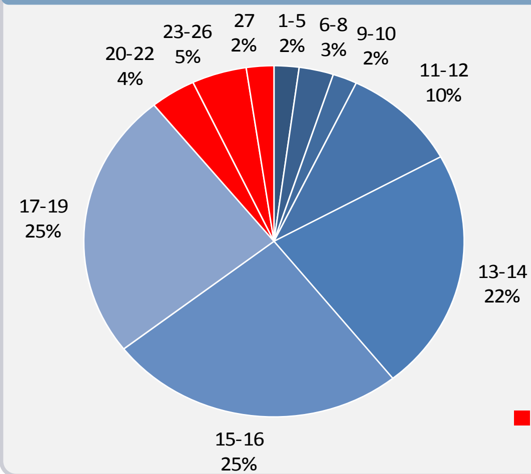
December 2011

Wholesale Credit

Distribution by Region



Distribution by Risk Rating

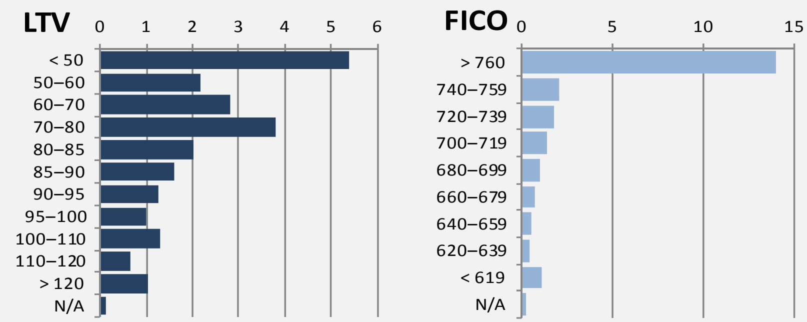


CFG Rating	S&P Rating Range	
1-5	AAA	AA-
6-8	A+	AA-
9-10	A-	BBB+
11-12	BBB	
13-14	BBB-	BB+
15-16	BB	
17-19	BB-	B+
20-22	B	B-
23-26	CCC+	CCC-
27	D	

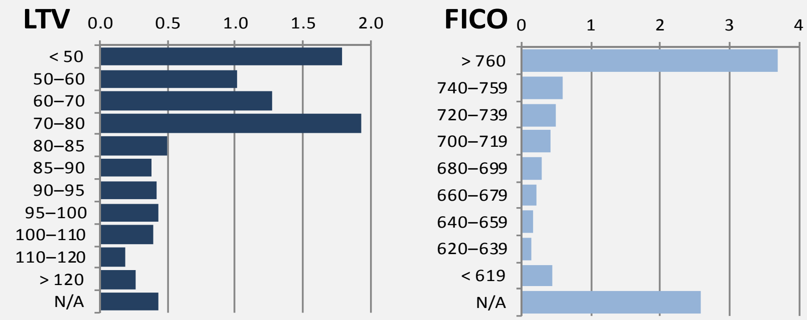
19 is the lowest pass rating.

Retail Credit

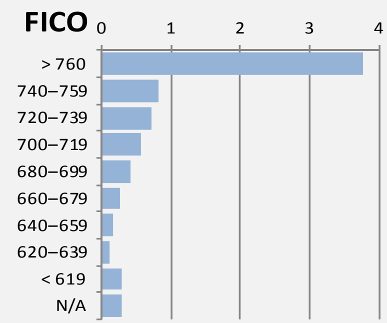
Home Equity



Residential Mortgage



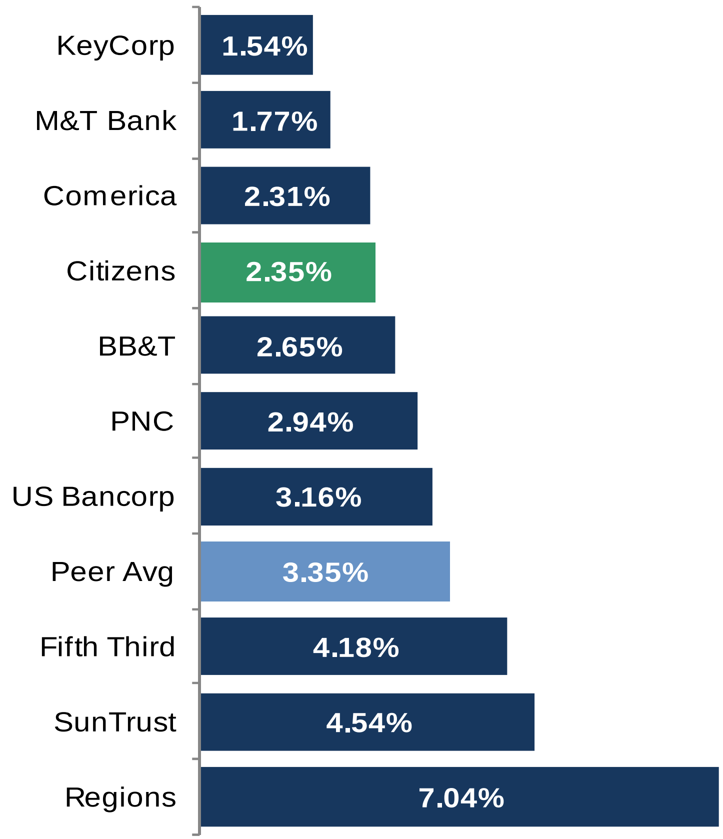
Auto



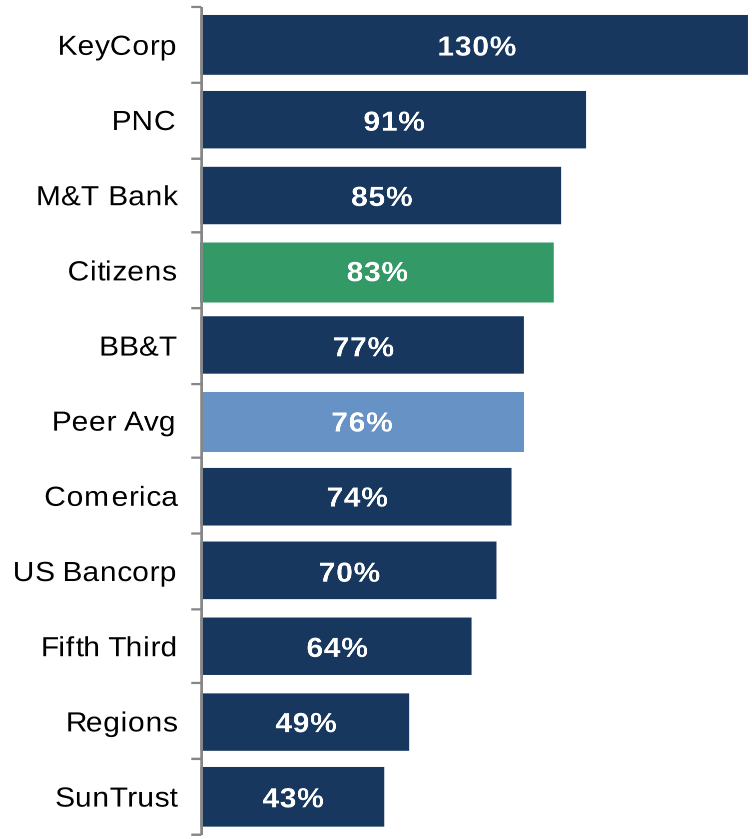
Strong Asset Quality and Reserve vs. Peers

Citizens Financial Group
US GAAP

NPLs / Loans %



Reserves / NPLs %

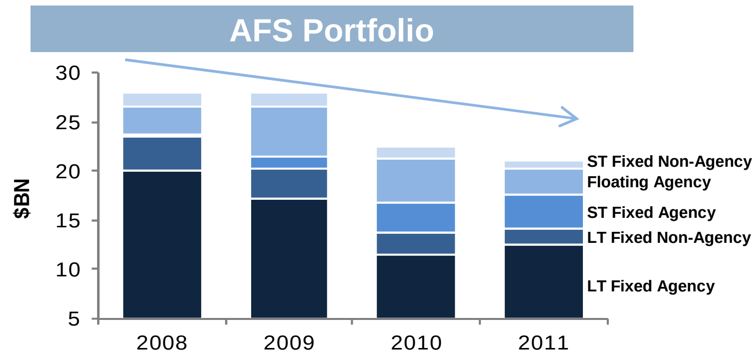


Source: SNL Financial, Q4'11 data

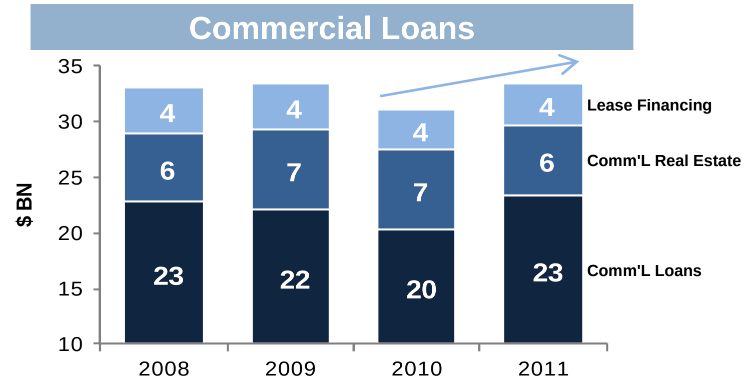
Average Balance Sheet

Citizens Financial Group
IFRS - $MM

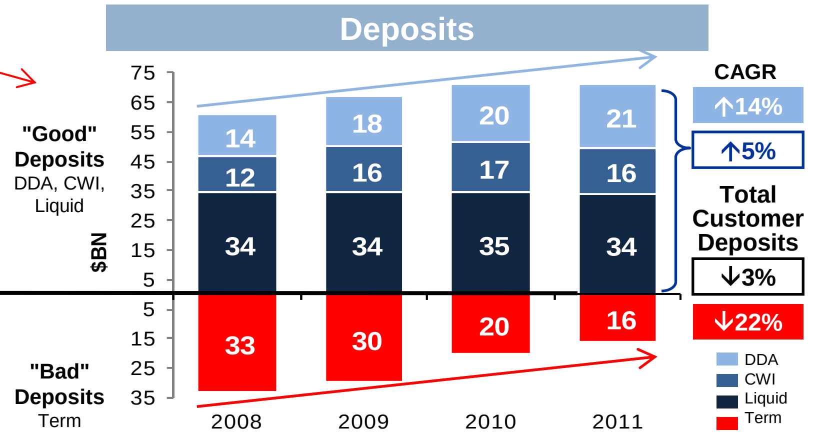
	FY 11 Actual	Inc/(Dec) FY 11 v FY 10 $	Inc/(Dec) FY 11 v FY 10 %
Short Term	$ 1,974	$ (2,829)	(59)%
AFS	21,053	(1,530)	(7)%
Investments	**23,027**	**(4,359)**	**(16)%**
Core Commercial Loans	33,401	2,282	7 %
Non-Core Commercial Loans	2,549	(1,337)	(34)%
All Other	12	12	NM
Total Commercial Loans	**35,962**	**956**	**3 %**
Consumer Mortgage	9,713	(844)	(8)%
Home Equity Loans	27,723	(1,972)	(7)%
Auto Loans	7,372	(734)	(9)%
Student Loans	2,350	(977)	(29)%
Other Consumer Loans	2,678	(586)	(18)%
Credit Card Loans	1,580	(228)	(13)%
Other Loans	38	(5)	(12)%
Total Consumer Loans	**51,452**	**(5,345)**	**(9)%**
Total Loans	**87,414**	**(4,389)**	**(5)%**
Loans Held for Sale	359	(135)	(27)%
Earning Assets	**110,800**	**(8,884)**	**(7)%**
Non-Earning Assets	**13,422**	**(1,140)**	**(8)%**
Total Assets	**$ 124,222**	**$ (10,024)**	**(7)%**
DDA	$ 21,191	$ 1,454	7 %
Checking w/ Interest	15,796	(1,290)	(8)%
Liquid Savings	34,099	(450)	(1)%
Term & Time	15,846	(4,180)	(21)%
Wholesale	4,513	1,247	38 %
Total Deposits	**91,445**	**(3,218)**	**(3)%**
Customer Repo/Sweeps	2,374	(527)	(18)%
Total Customer Funds	**93,820**	**(3,745)**	**(4)%**
Borrowed Funds	**9,825**	**(6,278)**	**(39)%**
Other Liabilities	2,192	(701)	(24)%
Total Liabilities	**105,837**	**(10,723)**	**(9)%**
Equity	18,385	699	4 %
Total Liabilities & Capital	**$ 124,222**	**$ (10,024)**	**(7)%**



- 90% Government guaranteed.
- Portfolio size has been reduced almost 1/2 from a peak in Q1'06 near $35BN to a Q4'10 low ~$18BN. Current AFS target size for 2012 will grow modestly to $23BN.



- Core Commercial Banking loan balances continue to demonstrate growth. Within the portfolio, C&I lending is showing strength while CRE has experienced continued planned runoff.
- Commercial's Gross Loans outstanding have increased over $3BN or 15% YoY.

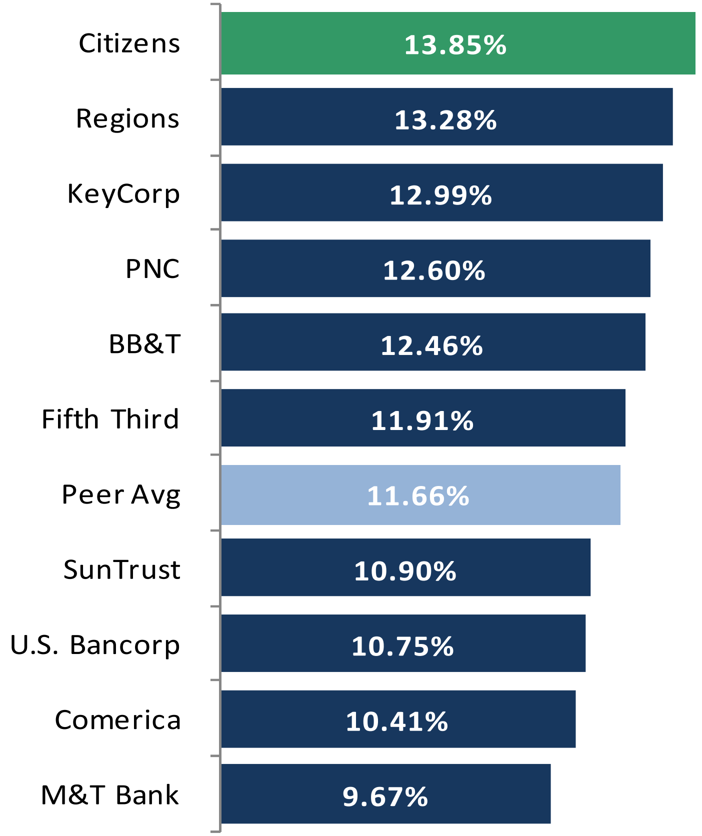


- Branches and Commercial bankers focused on driving operating account growth .
- We continue to price away high cost Term & Time deposits.

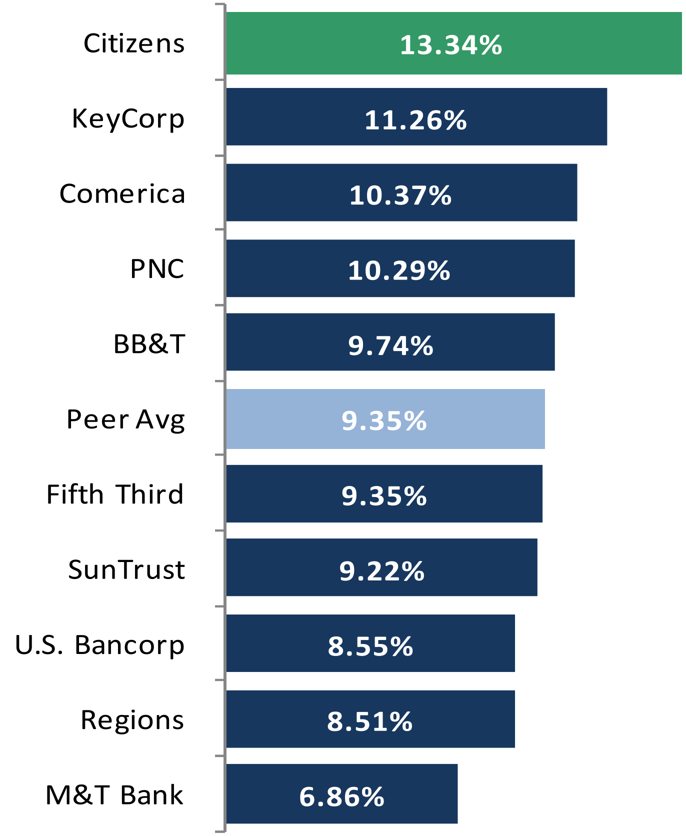
Well Capitalized vs. Peers

Citizens Financial Group
US GAAP

Tier 1 Capital Ratio



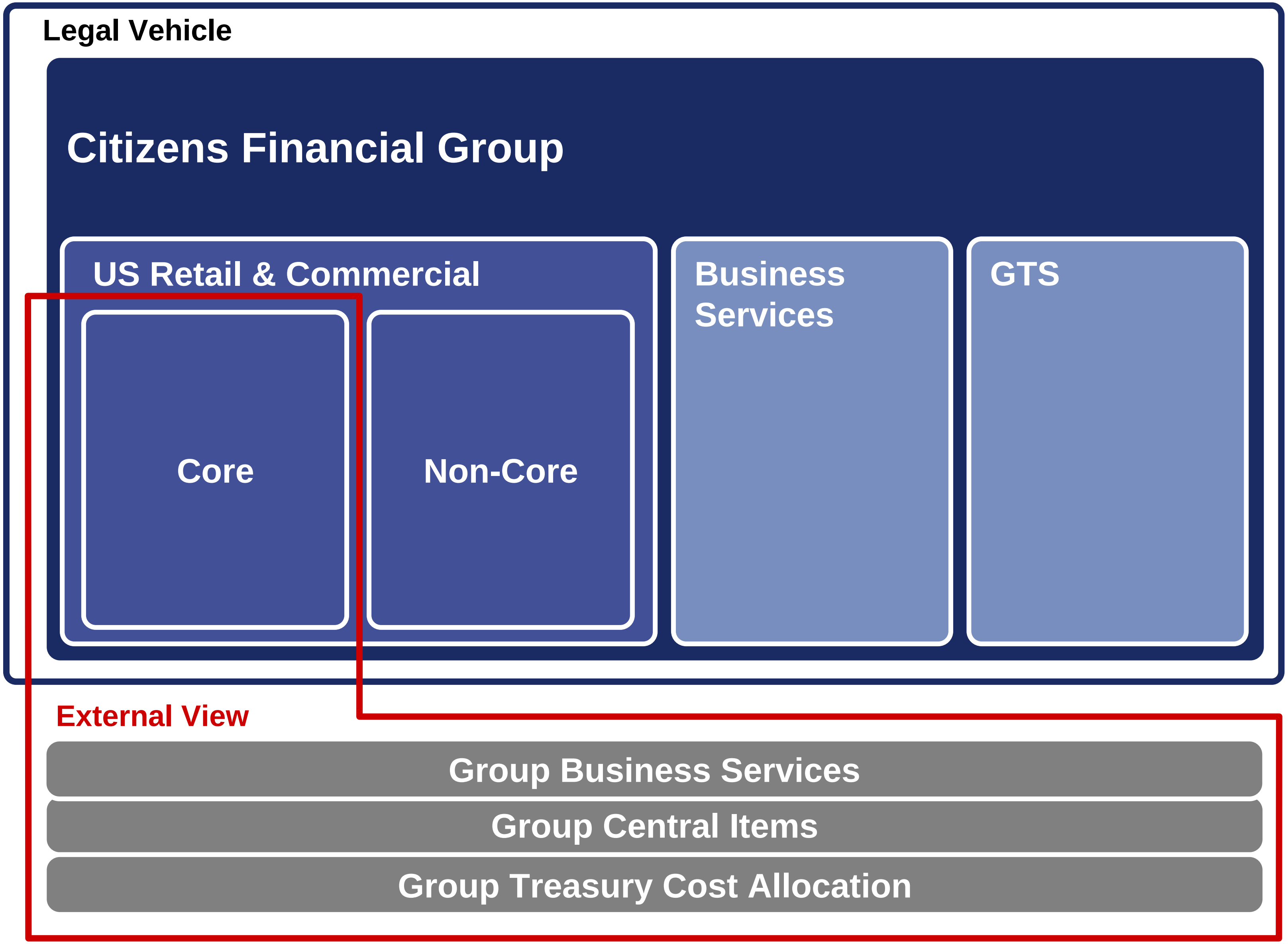
Tier 1 Common Ratio



Source: SNL Financial, Q4'11 data

Appendix

Legal Entity



Reconciliation of Core US Retail & Commercial Banking to Total CFG

IFRS - $MM

FY 2011	US Retail & Commercial Core	US Retail & Commercial Non Core	US Retail & Commercial Total	GTS	Business Services	Central Items	Total CFG
Net Interest Income	$ 3,087	$ 268	$ 3,354	$ 13	$ (34)	$ (1)	$ 3,332
Fee Income	1,453	9	1,462	212	23	0	1,698
Total Revenue Excl. Gains	**4,540**	**277**	**4,817**	**225**	**(11)**	**(1)**	**5,030**
Gains & Losses	158	7	165	-	1	-	166
Total Revenue	**4,698**	**284**	**4,981**	**225**	**(10)**	**(1)**	**5,196**
Staff Expense	(1,313)	(10)	(1,323)	(31)	(276)	(16)	(1,647)
Other Operating Expense	(874)	(77)	(950)	(21)	(789)	(3)	(1,763)
Total Direct Expense	**(2,187)**	**(87)**	**(2,273)**	**(52)**	**(1,065)**	**(19)**	**(3,410)**
Pretax Pre Provision Operating Earnings	**2,510**	**197**	**2,708**	**173**	**(1,075)**	**(20)**	**1,786**
Impairment Losses	(521)	(486)	(1,007)	(2)	-	-	(1,010)
Pretax Operating Income Before Allocations	**1,989**	**(289)**	**1,701**	**170**	**(1,075)**	**(20)**	**776**
Allocations	(967)	(42)	(1,009)	(66)	1,075	(0)	0
Pretax Operating Earnings	1,022	(331)	693	104	-	(21)	776
Intangibles / One Time Costs	(24)	-	(24)	7	(58)	(0)	(76)
Income Taxes	(350)	116	(234)	(39)	20	7	(245)
Net Income	**$ 649**	**$ (215)**	**$ 434**	**$ 72**	**$ (38)**	**$ (14)**	**$ 455**

Treasury Cost	(45)
Business Services Allocation	(1,047)
Group Centre Allocation	(129)
Pretax Operating Earnings per IMS	**$ 769**

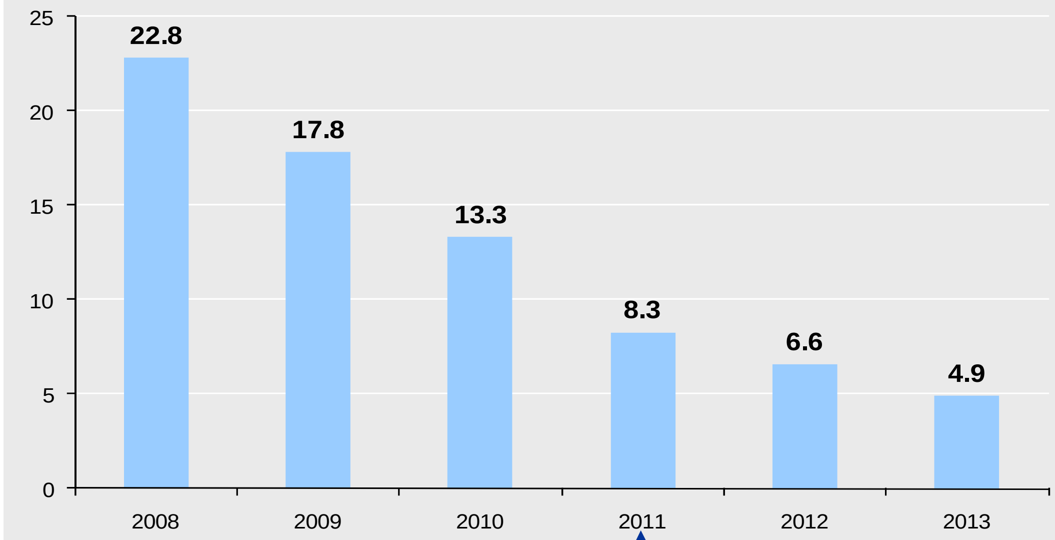
Non-Core Loan Portfolio

Non-Core End of Period Loans - $BN
As of December 2011 (Spot)

SBO	3.7
Mortgage Speciality & Corresp.	1.2
Student Lending	1.2
Indirect Auto	0.1
Credit Cards	0.1
Retail Non Core	6.4
CRE	1.5
Commercial Markets	0.3
Dealer Finance	0.1
Commercial Non Core	1.9
Non-Core US Banking	**8.3**

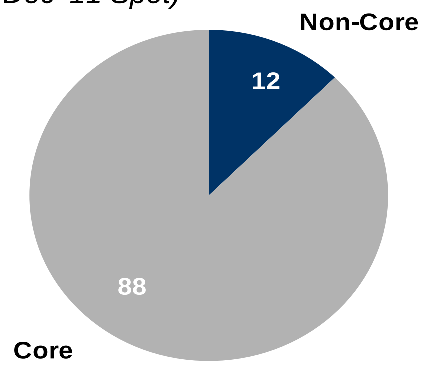
Current balance represents 9% of total loan portfolio.

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



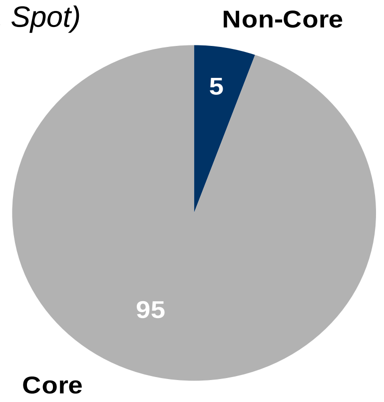
Retail Banking

Percent (Dec '11 Spot)



Commercial Banking

Percent (Dec '11 Spot)



Agenda

Introduction

Citizens

GBM Americas

Questions

GBM Americas

Bob McKillip
Co-Chief Executive Officer, Global Banking & Markets

Scott Eichel
Global Head of Asset-Backed Products and Head of US Credit

Agenda

GBM Americas FY 2011 Performance

2012 Business Overview

GBM Americas 2011 Overview

GBM Americas Organizational Structure

Global Banking & Markets

Global Banking & Markets Americas

Markets	Banking
Michael Lyublinsky[1] **Co-CEO, GBM Americas**	**Bob McKillip** **Co-CEO, GBM Americas**

Support

[1]Scott Eichel, Global Head of Asset-Backed Products and Head of US Credit reports to Michael Lyublinsky

GBM Americas FY 2011 Performance

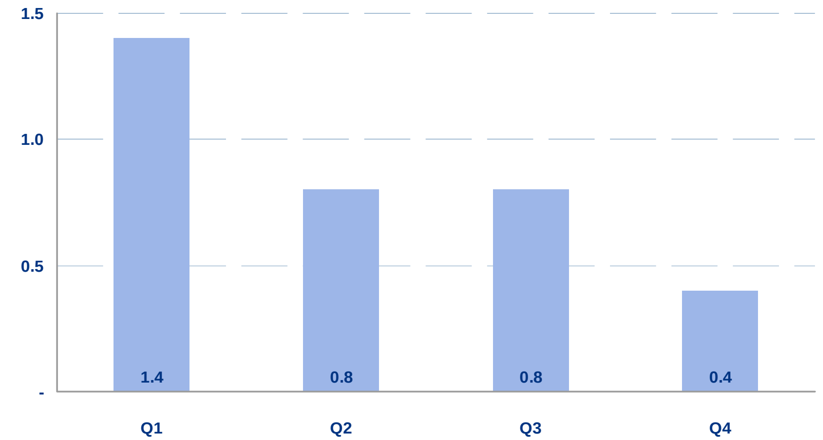
GBM Americas 2011 Performance

- GBM Americas was exceptionally profitable immediately following the 2008 financial crisis.
- The business has continued to deliver in spite of worsening economic, market and regulatory conditions.
- Revenues declined in 2011 as several businesses, including Credit and Asset Backed, were impacted by weakness in the financial markets and declining economic market confidence during the second half of the year.
- The business has delivered a consistently strong ROE – above overall GBM targets and industry performance.
- TPA increase driven primarily by higher inventory levels in US Treasuries and an increase in cash held at the Federal Reserve.
- Increase in Markets' RWA and capital requirements as regulatory changes continue to impact returns.

GBM Actuals – FY11 vs. FY10 vs. FY09 ($bn)

	FY 2011	FY 2010	FY 2009
Income	3.4	3.8	5.5
Costs/Provisions[1]	(1.3)	(1.4)	(1.6)
PBT	2.1	2.5	3.9
ROE[2] %	18%	23%	34%
Cost:Income[3]	37%	37%	24%
Average TPAs[4]	184	161	136
Average RWAs[5]	76	68	74
People[6]	2,600	2,700	2,400

Underlying Quarterly Income[7] ($bn)



[1]Costs are fully loaded and include bonus, as well as provisions/recoveries. For consistency across the years, bonus has been included on a gross/cash basis (not accounting for deferrals under IFRS). [2]Return on Equity (RoE) calculated using contribution after tax (estimated at 35%) and a 10% equity factor. [3]Third Party Assets (TPAs) are exclusive of MTM derivatives and are FY average, shown to the nearest billion. [4]Risk Weighted Assets (RWAs) are inclusive of Capital Deduction equivalents of RWAs, shown to the nearest billion. [5]Cost:Income is calculated using fully loaded costs including bonus (excluding provisions/recoveries)[6]People represents total year end headcount including temps and contractors, rounded to the nearest one hundred. [7]Quarterly income shown to the nearest tenth of a billion $USD.

GBM Americas FY 2011 Performance

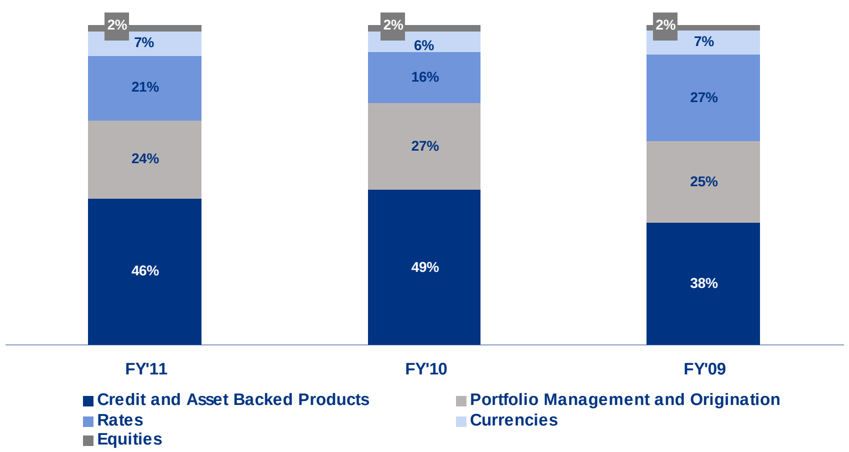
GBM Americas 2011 Results

Business[1] Performance – Income ($bn)

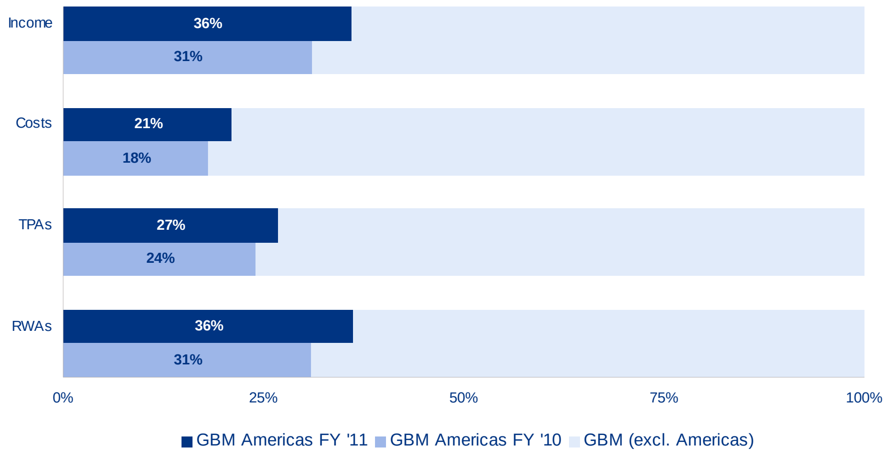
	FY 2011 Actual	FY 2010 Actual	FY 2009 Actual
Rates	0.7	0.6	1.5
Currencies	0.2	0.2	0.4
Credit & Asset Backed Products	1.5	1.8	2.1
Portfolio Management & Origination	0.8	1.0	1.4
Equities	0.1	0.1	0.1

- More balanced performance across GBM businesses versus US peers.
- Heightened volatility resulted in risk aversion among clients and limited revenue opportunities in Credit and Asset Backed.
- Higher funding costs, margin compression and a reduced balance sheet continued to impact Portfolio revenues.
- GBM Americas remained a key contributor to overall GBM.

Business[1] Income Mix



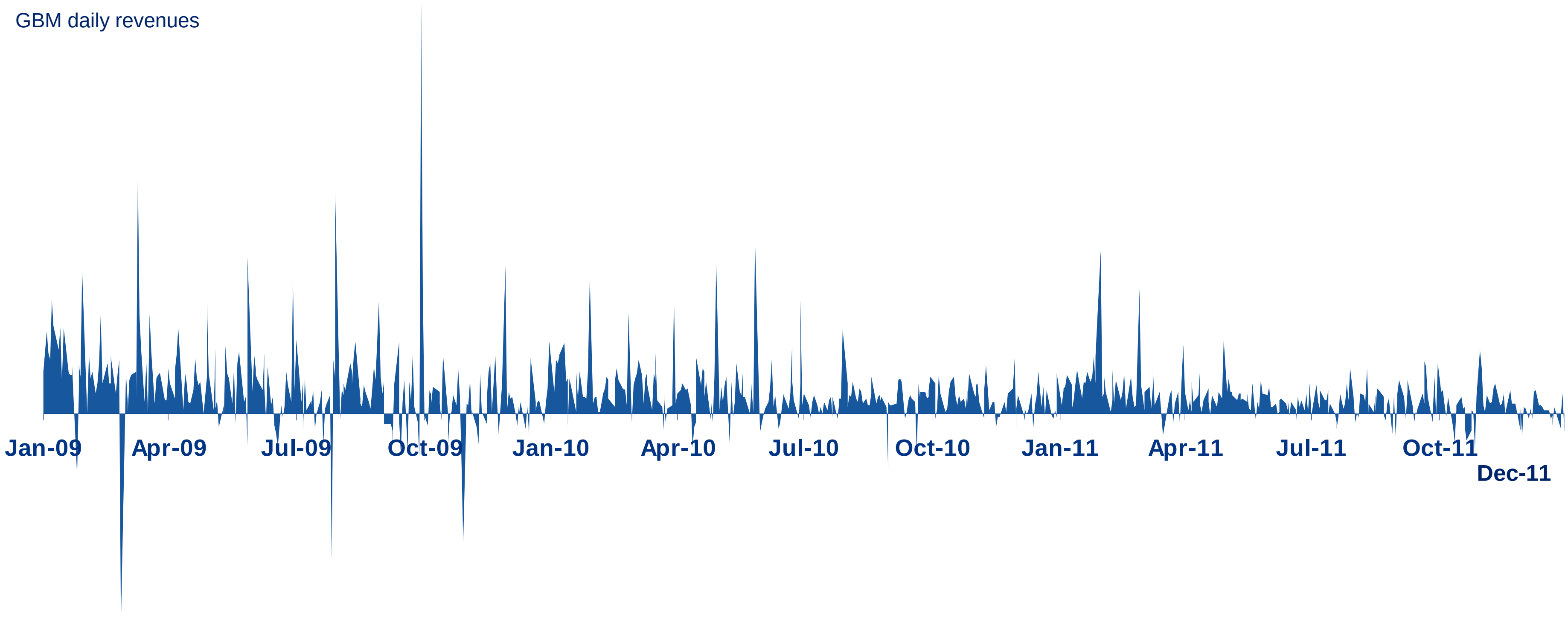
GBM Americas as % of Global GBM Performance[2]



[1]Businesses shown under legacy GBM structure and exclude GBM Treasury. [2]Revenue excludes FVoD. Costs are fully loaded and include bonus. RWAs and TPAs (excluding MTM) are year end spot.

GBM Americas FY 2011 Performance

Reduced revenue volatility over time



- 2010 saw market conditions return to more “normal” levels following unprecedented volatility in 2009. 2011 saw a continuation of this theme.
- GBM Americas has significantly reduced its risk profile post crisis which has resulted in a more sustainable revenue performance across its Markets businesses.

GBM Americas FY 2011 Performance

GBM Americas Core Assets ($bn)

- Markets balance sheet is liquid and has been de-risked considerably since 2008
- Banking Loans and Advances have been reduced by over 50% since 2008

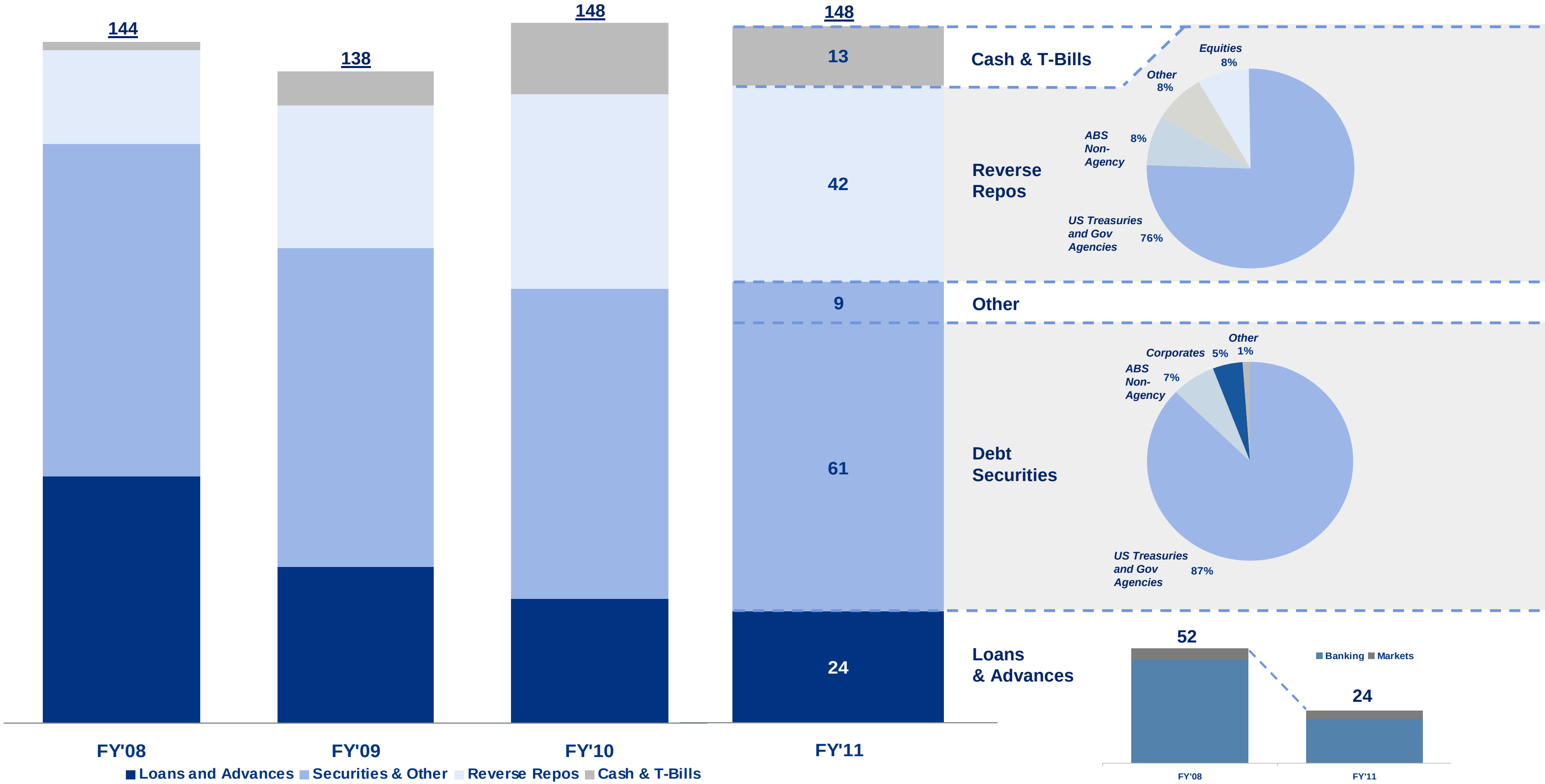


Chart shows Third Party Assets only (excluding MTM Derivatives), taken at spot half-year/year-end periods. Loans and Advances include those to customers and banks and are exclusive of repos.

GBM Americas FY 2011 Performance

Progress on 2009 Strategic Themes

Implementation on track

More focused execution required

Status Today

- Deepen Corporate client franchises and expand wallet share through financing and risk management-led proposition
- Reposition selected products for greater profitability
- Reinforce Fixed Income leadership
- Reinforce connectivity
- Maintain discipline in capital usage and liquidity
- Attract and retain top talent in the US
- Invest in business growth while improving front to back efficiency/controls
- Expand business metrics to fully consider risk, capital and liquidity
- Enhance risk and controls environment, including revised risk frameworks, new capital approach, and reduced risk profile

GBM Americas FY 2011 Performance

Progress on 2009 Strategic Themes

- Implementation on track (green)
- More focused execution required (orange)

	Implementation status vs. plan	
Deepen Corporate client franchises	Implementation on track	▪ Wallet share improving in investment grade and high yield markets. ▪ Increased cross sell including strong partnerships with other regions and divisions (e.g. Citizens). ▪ Key wins across sectors and products, particularly DCM.
Reposition products for greater profitability	More focused execution required	▪ Recently aligned debt origination with sales and trading capabilities under restructured Markets business to deliver "added value" client services across credit businesses. ▪ Moving to primary issuance in Mortgages focusing on prime loans. ▪ Building a client focused DCM High Yield bond and loan business to further monetize our strong client franchise.
Reinforce Fixed Income leadership	Implementation on track	▪ Consolidation of fixed income trading businesses complete. ▪ Integrated FICC business enables us to more effectively face off with competitors, service clients and develop products and people in accordance with global best practices.
Reinforce GBM/RBS Group connectivity	More focused execution required	▪ Recently restructured International Banking business will enhance connectivity by bringing together the GBM Corporate Client Coverage/Management teams and GTS's Cash Management and Trade Finance businesses. ▪ Continued focus on driving cross-sell with Citizens to deliver incremental revenues and improve mid-corporate wallet share for RBS.
Maintain discipline in capital usage and liquidity	Implementation on track	▪ Continued improvements in capital, funding and balance sheet profile with advancements made in monthly reporting. ▪ Liquidity and stress testing enhanced for legal entities operating within GBM Americas.

GBM Americas FY 2011 Performance

Progress on 2009 Strategic Themes

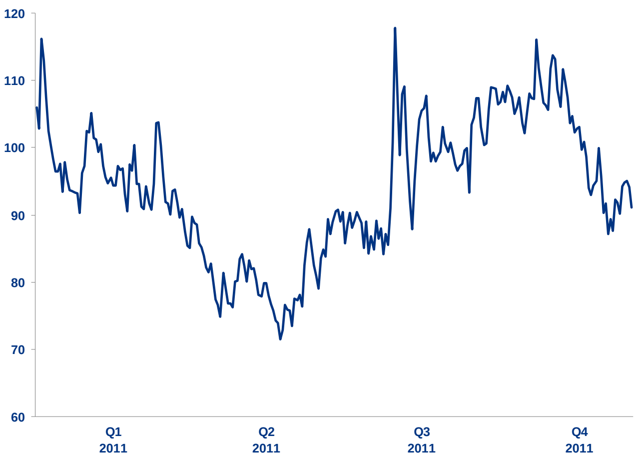
- Implementation on track (green)
- More focused execution required (orange)

	Implementation status vs. plan	
Attract and retain top talent in the US	More focused execution required	▪ Experienced and stable management team. ▪ Key hires made in 2011 including new Head of Foreign Exchange and new Head of Compliance. ▪ Focused on improving staff-turnover metrics.
Invest in business growth while improving front to back efficiency/ controls	More focused execution required	▪ Significant progress made on 2011 investment projects ▪ A significant project agenda remains, subject to prioritization and strong payback, efficiency metrics.
Expand business metrics to fully consider risk, capital and liquidity	Implementation on track	▪ Daily risk reporting enhanced to monitor risk utilization vs. limits and provide the business with turnover and aging metrics.
Enhance risk and controls environment	Implementation on track	▪ Proactively strengthened the risk and control framework in the region ensuring our ability to better limit and control business activity. ▪ Enhanced risk and stress modeling and enhanced daily reporting with a focus on managing trading risk. ▪ RBSA governance and operating model launched.

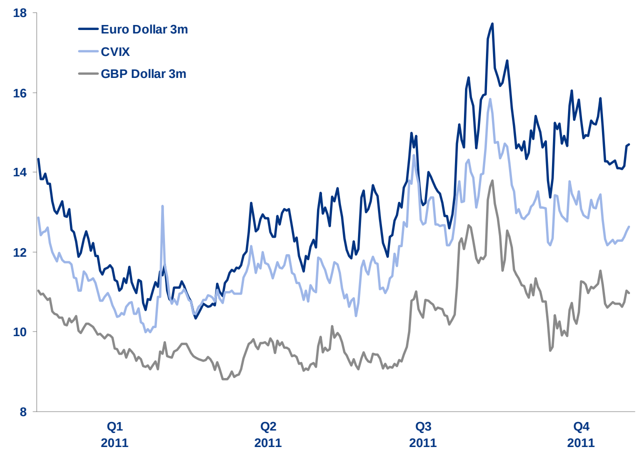
GBM Americas FY 2011 Performance

Market Environment

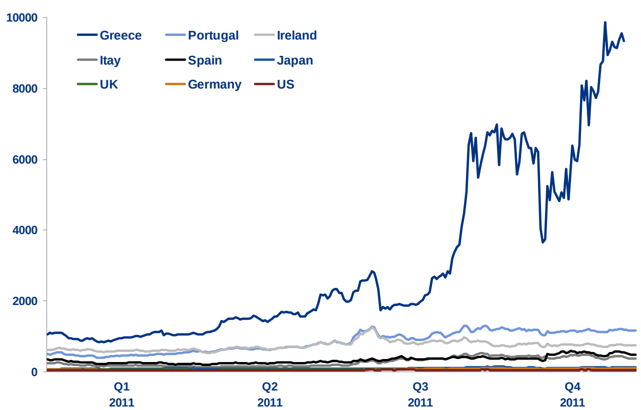
Interest Rate Volatility – Move Index (bps)



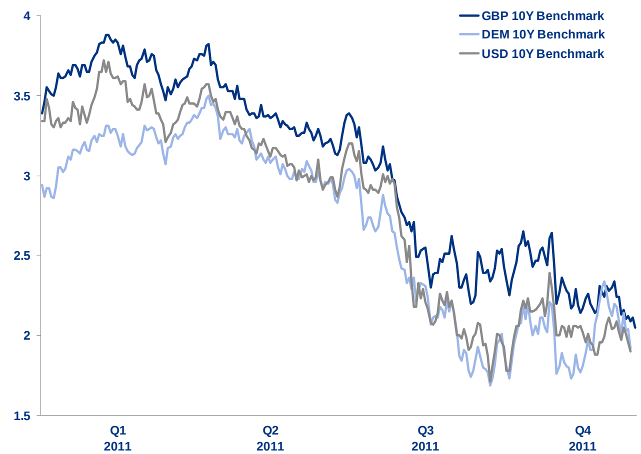
FX Volatility Indices (bps)



Sovereign 5yr CDS spreads (bps)



10yr Govt Bond Yields (bps)

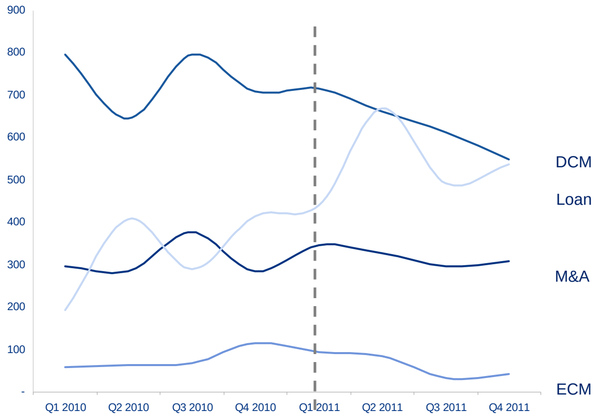


- Volatility dominated Rates and FX markets in 2011 primarily the result of the European sovereign debt crisis and fears of a global recession.
- Greek CDS rose to unprecedented levels in November while the government continued negotiating a solution with creditors.
- Spread increases were also seen in other Eurozone countries as the contagion effect spread outward from countries that had received international bailouts.
- Government bond yields continued to trend down as investors fled for safe havens amidst the uncertain economic backdrop.

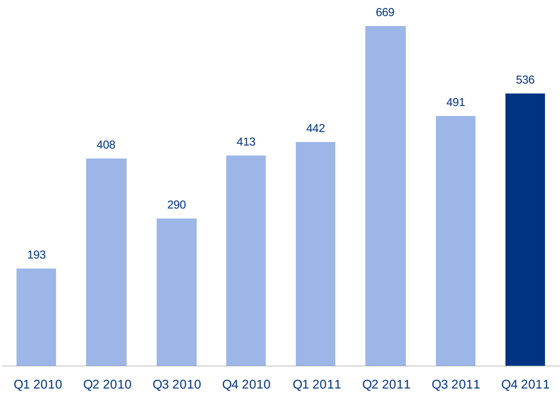
GBM Americas FY 2011 Performance

Americas Banking Volumes

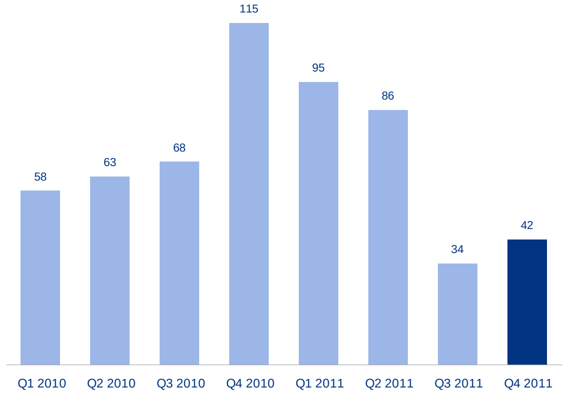
Americas Banking Volumes ($bn)



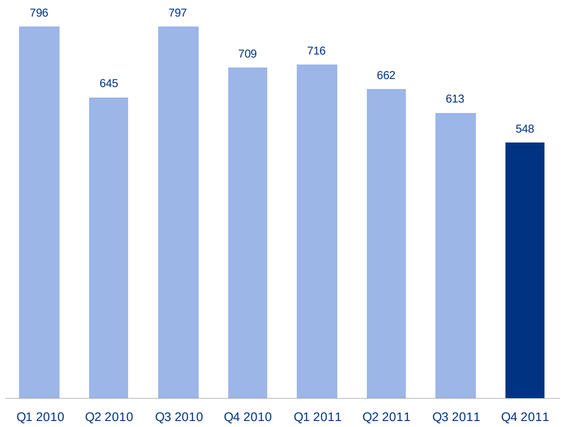
Loan Volumes ($bn)



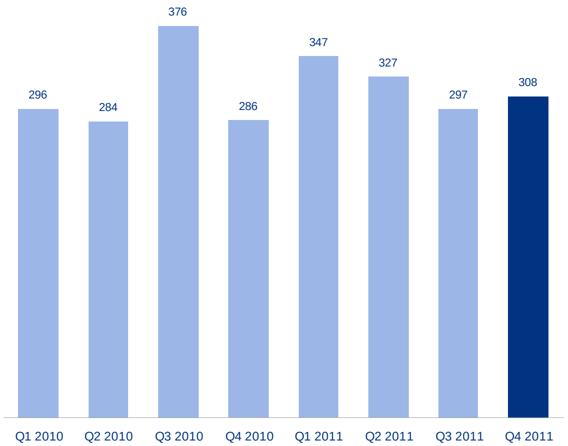
ECM Volumes ($bn)



DCM Volumes ($bn)



M&A Volumes ($bn)



- DCM volumes decreased for a fourth successive quarter as the Eurozone crisis and uncertain economic outlook continued to dampen investor appetite.
- ECM, M&A and Loan volumes all increased relative to Q3, although they still were below the H1 average.

GBM Americas FY 2011 Performance

Response to Market Environment

Market developments / headwinds

- Increased RWA and capital requirements from regulatory change
- Pressure on unsecured wholesale funding volumes and associated cost
- Market uncertainty – fears of global recession
- Declining revenues
- Sustained low interest rate environment

Management actions

- Restructure business to focus on market leading capabilities
- Strategically deploy assets and capital to improve balance sheet strength, funding profile and returns
- Disciplined expense management
- Enhance connectivity with other divisions

More conservative balance sheet, better RoE, more value for shareholders

Agenda

GBM Americas FY 2011 Performance

2012 Business Overview

2012 Business Overview

Business Update and Structural Changes

- In January 2012, Global Banking & Markets (GBM) and Global Transaction Services (GTS) business restructuring announced.
- **Markets** will continue to focus on leading origination and trading franchises.
- **International Banking** will bring together the existing GBM Corporate Coverage and Portfolio Management teams and GTS' international businesses under a single organizational structure.
- Plans to exit, via sale or closure, certain equities and M&A activities, as well as our remaining Latin America operations.
- Businesses exited not a significant contributor of revenue in the Americas under legacy GBM structure.

Markets

- Asset Backed Products
- Rates (including Money Markets)
- Credit (including Origination)
- Currencies
- Investor Products & Equities Derivatives

International Banking

- Cash Management
- Trade Finance
- Lending (Portfolio)
- Corporate Coverage

Logistics & Controls

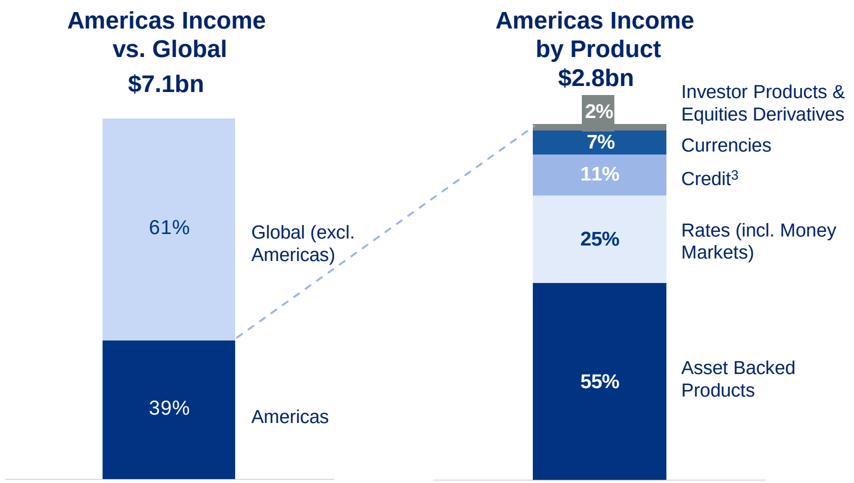
Exits (via sale or closure)

- Cash Equities
- Equities Capital Markets
- Mergers and Acquisitions
- Mexico
- Brazil initiative

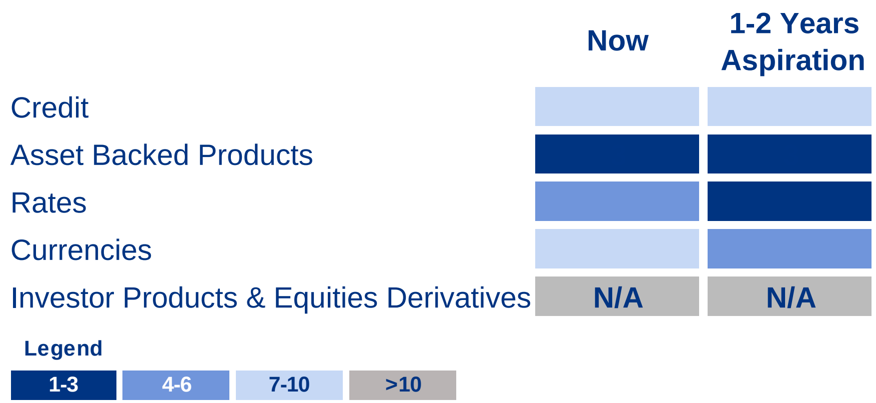
2012 Business Overview

Markets

FY 11 Pro-Forma Income[1]



Competitive Position



Going Forward

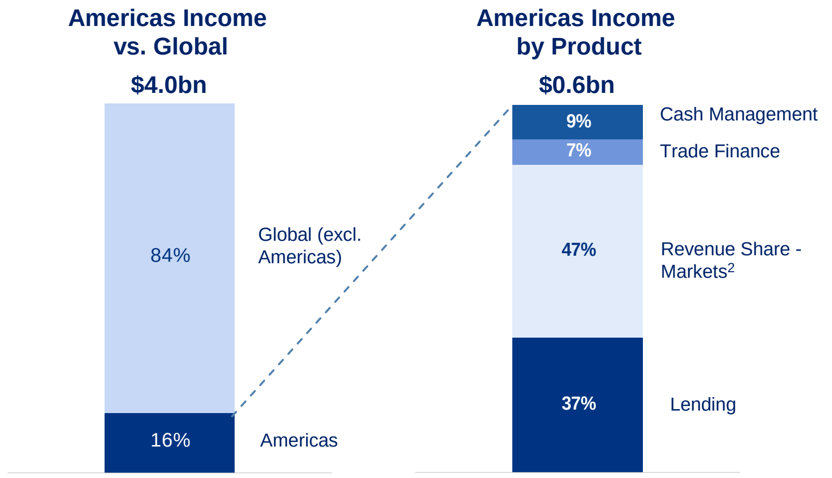
- Industry expectation for revenues to decline over the short to medium term as reduced liquidity and market dislocations are expected to continue.
- Regulatory changes expected to continue to impact the business principally through the securitization changes under CRD3 and the implementation of Dodd Frank.
- Strategically maximize balance sheet and capital returns through efficient usage.
- Increase focus on origination and solutions as improving housing market, compressed yields and maturing securities are expected to drive primary issuance while reducing trading volumes.
- Align market leading debt origination business with sales and trading capabilities to drive greater transparency and accountability across credit businesses.

[1]Pro-forma income is shown on a risk view and is net of funding allocations. Income is estimate only. [2]FY 2011 Pro-forma income figures above are net of estimated revenue share payaways to International Banking. Future share agreements currently under review. [3]Credit consists of both Credit Trading and DCM

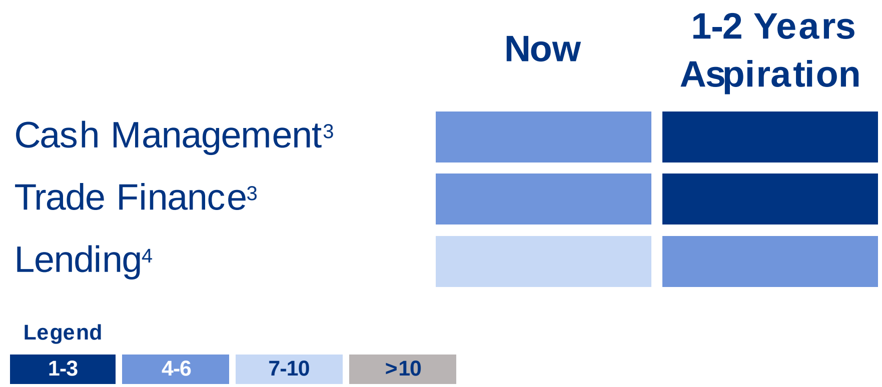
2012 Business Overview

International Banking

FY 11 Pro-Forma Income[1]



Competitive Position



Going Forward

- Reduced liquidity levels, external market stress and regulatory pressures continue to impact revenues across the lending industry making strong client relationships key to success.
- International Banking is designed to enhance connectivity and to reinforce strength in debt advisory, transaction services and risk management.
- Focus on discrete and limited set of key clients while continuing to protect and defend key sector franchises. Increase wallet share with clients on a multiproduct basis.
- Continue to build long term relationships across multiple products working closely with product partners in Markets and the wider RBS Group.
- Continue focus on credit risk and capital usage by maintaining a “best-in-class” risk management framework.

[1]Pro-forma income is shown on a risk view and is net of funding allocations. Income is estimate only. [2]FY 2011 Pro-forma income figures above include an estimate for cross sell/revenue share between Markets and International Banking. Future share agreements currently under review. [3]Cash Management and Trade Finance Rankings relative to Non-US banks. Source: Based on client surveys (primarily Greenwich Survey) as competitive rankings are generally published for the global domestic and international business.[4]Ranking by volume. Source: Dealogic, as at 03/06/2012.

2012 Business Overview

Regulatory Outlook – Preparing for Changing Regulation

	Potential Impact	Concerns	Response
Derivatives Trading & Clearing	▪ Mandated clearing. ▪ Required registration of swap dealers and major swap participants.	▪ Lack of final rules from regulators on extraterritoriality and scope. Clarity required.	▪ Current plan is to: ▪ clear for clients and potentially other affiliates through a Futures Commissions Merchant. ▪ register as a Swap Dealer.
Volcker Rule	▪ Restrictions on US proprietary trading activities.	▪ Lack of definition and clarity regarding the permitted trading activities.	▪ Evaluating existing business activities against the proposed rule. ▪ Assessing infrastructure capabilities against rule's compliance framework and reporting requirements.
MBS/ABS Securitization Reforms	▪ Risk retention requirements instituted. ▪ Increased due diligence and disclosure.	▪ If risk retention rules are adopted as currently proposed, it has the potential to prevent securitization from being a viable financing option.	▪ Risk Retention: Participated alongside various trade groups in drafting comment letters requesting clarification or re-proposal of risk retention rules. ▪ Due Diligence and Disclosure: Complying with rules which are now in effect.

2012 Business Overview

Key Conclusions

Strategic Progress	▪ Sustaining leadership positions in chosen markets ▪ Intensifying client focus ▪ Maintaining discipline in capital usage and liquidity ▪ Delivering returns consistent with Group-wide strategic plan
Enduring customer franchise	▪ Increasing wallet share with Corporate and FI clients ▪ Improving coordination between Origination, Sales & Trading and Research businesses ▪ Re-enforcing connectivity with the rest of RBS ▪ Key wins across sectors and products
Safer and more focused	▪ Improved balance sheet and funding profile ▪ Transformed risk management processes ▪ Strengthened capital and liquidity ▪ Reduced risk appetite

Agenda

GBM Americas FY 2011 Performance

2012 Business Overview

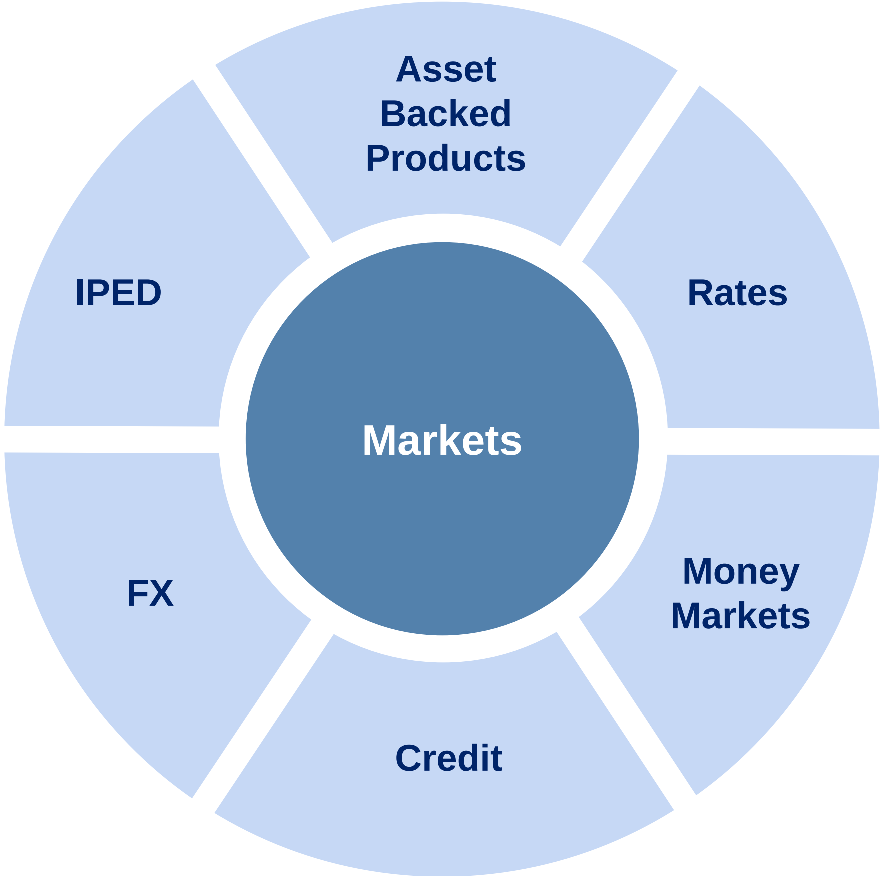
Appendix

Appendix

Markets

Business Overview

- **Asset Backed Products:** Provides secondary market solutions to clients covering a full range of asset backed products.
- **Rates:** Offers clients a full spectrum of Rates Products including, Treasuries, Agencies and IRD Swaps and Options.
- **Money Markets:** Proactively and efficiently manages the global funding, collateral and regulatory liquidity needs of the business.
- **Credit:** Offers clients a broad range of debt market solutions ranging from bond financings to risk management. Credit Trading, Sales and Strategy better aligned with DCM Origination and Syndicate.
- **Currencies:** Full service FX offering covering Spot FX and Currency Options trading and sales on a 24-hour basis.
- **Investor Products & Equities Derivatives (IPED):** Offers distribution of foreign issuances in the US market, securities lending, financing & collateral trading and structured equity trading as part of the Global Equities business.



Appendix

International Banking

Business Overview

- **Cash Management:** Optimizes working capital for corporate clients by offering a comprehensive range of products including online account management and liquidity management services.
- **Trade Finance:** A comprehensive, cost-effective range of trade finance and supply chain solutions to help clients fund the trade cycle and manage credit risk appropriately. MaxTrad, RBS's online trade finance service, automates initiation, tracking and management of trade transactions increasing control and efficiency.
- **Lending (Portfolio):** Maximizes opportunities from the existing portfolio.
- **Corporate Coverage:** Focuses on the overall relationship with corporate 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.

Questions?