

RBS Investor Seminar

Corporate & Institutional Update

London, 12 November 2015

Chris Marks

CEO, CIB



Alison Rose

CEO, CPB



Mark Bailie

CEO, Capital
Resolution



Richard Place

FD, CIB



1 CIB and CPB working together

Chris Marks, CEO, CIB
Alison Rose, CEO, CPB

2 CIB Go-Forward¹: Restructure

Chris Marks, CEO, CIB
Richard Place, Finance Director, CIB

3 CIB Capital Resolution²: Exit Bank

Mark Bailie, CEO, Capital Resolution

1. CIB Go-Forward is referred to as CIB GF through out this presentation

2. CIB Capital Resolution is referred to as CIB CR through out this presentation

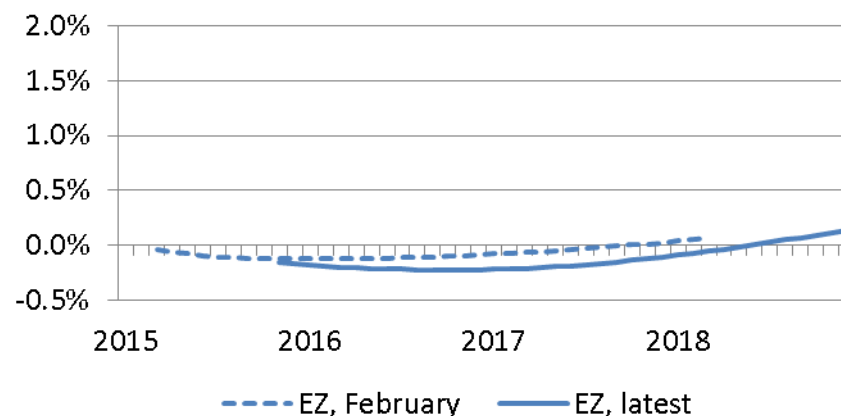
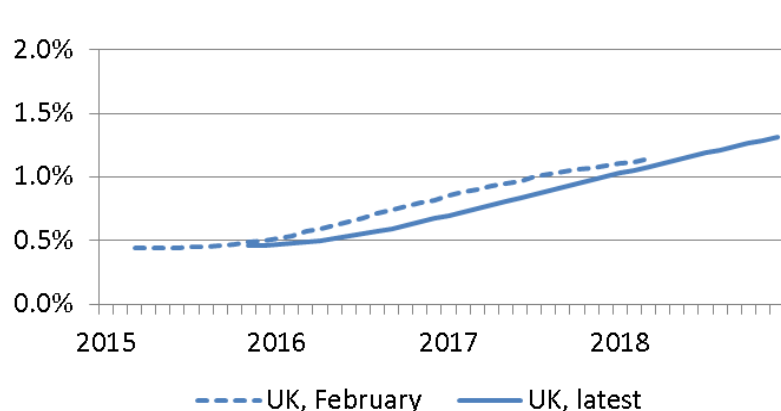
Please note:

The future structure and activities of RBS, including the CIB Go-Forward business and non ring-fenced bank (or NRFB) outlined in this presentation, remain subject to a number of uncertainties. These include, among others, final ring-fencing rules (expected in 2016), future decisions of the RBS board with regard to the NRFB, final regulatory approval from the PRA and consultation with employee representatives. In addition, certain of the disclosures contained in this presentation are preliminary management estimates and targets based on certain assumptions which may or may not prove to be correct and in relation to which the actual figures could differ materially from those included in this presentation. For example, assumptions about CIB Go-Forward or NRFB product connectivity to other parts of RBS and the amount of revenue derived from that connectivity, will be subject to various ring-fencing regulatory requirements. Numerous other factors including the ongoing restructuring of the CIB business could also adversely affect the accuracy of forward-looking statements and management estimates and targets set out in this presentation. Please refer to the risk factors and other uncertainties discussed on pages 474 to 492 of RBS's 2014 Annual Report and Accounts, as well as the cautionary statements regarding forward looking information on page 43 of this presentation. .

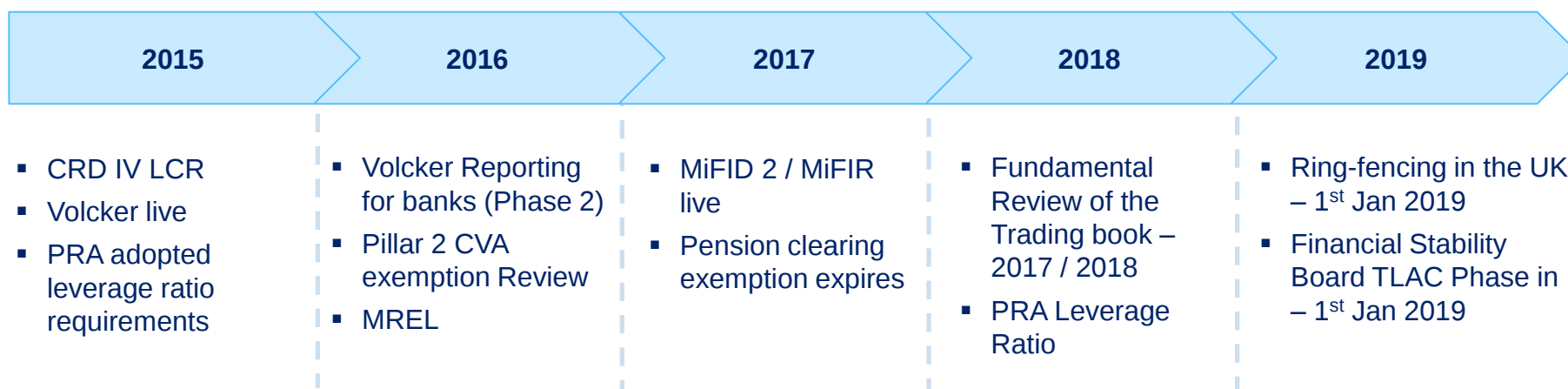
Market Context – Challenging macro environment and regulatory uncertainty remains



UK and Eurozone Interest Rates¹ – Low for longer?



Regulatory uncertainties remain²



1. Source: Bank of England (2015)

2. Key Markets regulations only - 'Changes in any expected key regulatory developments and/or our current expectation of the timing and/or manner of implementation thereof could result in changes to our plans, estimates and/or targets. Timeline for illustration purposes only



A leading UK and Western European business



Executing a multi-year restructuring and transformation across CIB



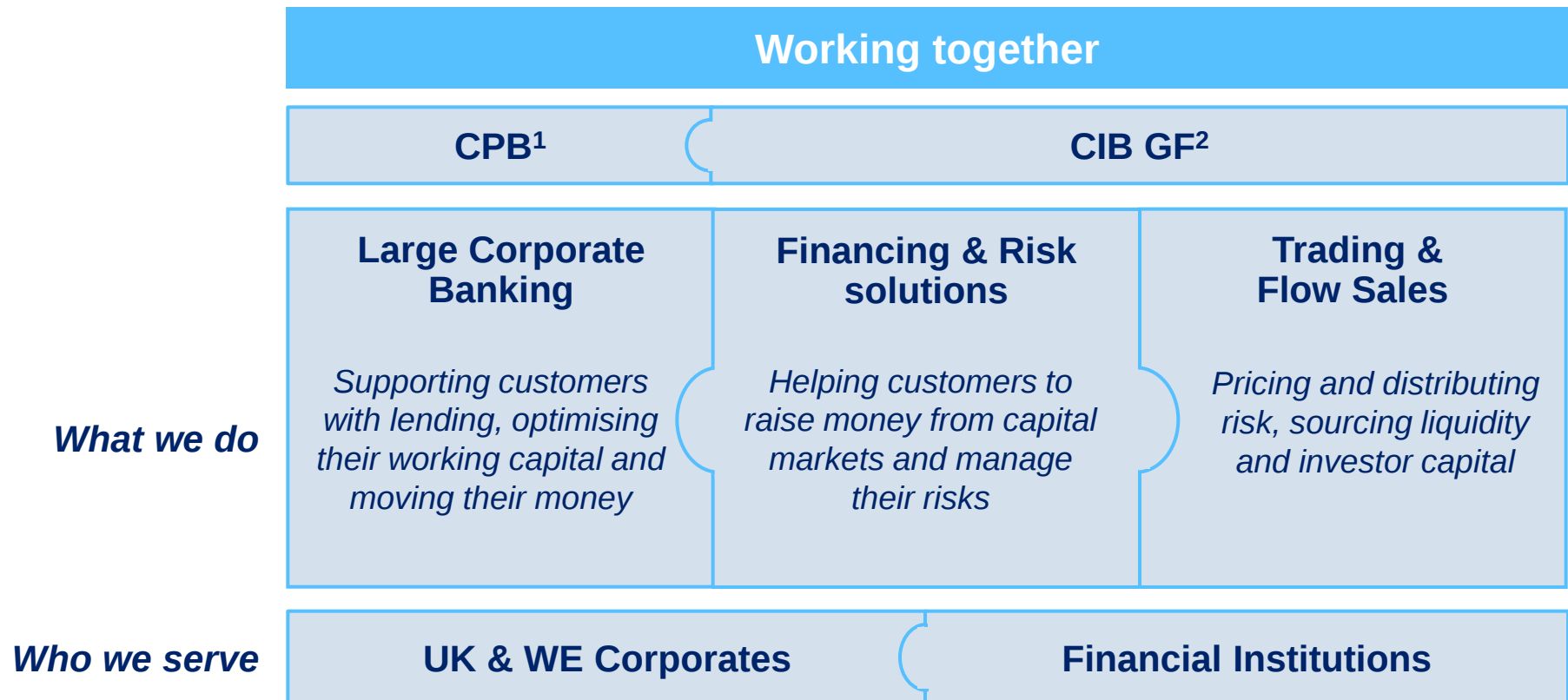
Making good progress winding down Capital Resolution



Planning for ring-fencing



Focused on delivering sustainable returns



1. CPB denotes Commercial and Private Banking.

2. CIB GF denotes Corporate and Institutional Banking Go-forward business

Excellent credentials...

Leader

UK Large Corporate Banking leader¹

£50bn

We raised c.£50bn of money for customers in Debt Capital Markets³

95%

We have relationships across FTSE 100 companies⁴

Largest

We managed the largest liability management exercise in Europe in 2015³

#1

UK Cash Management provider¹

Best

Trade Finance bank in the UK²

#1

UK Corporate FX provider¹

Top 5

FX provider to large corporates globally¹

Top 5

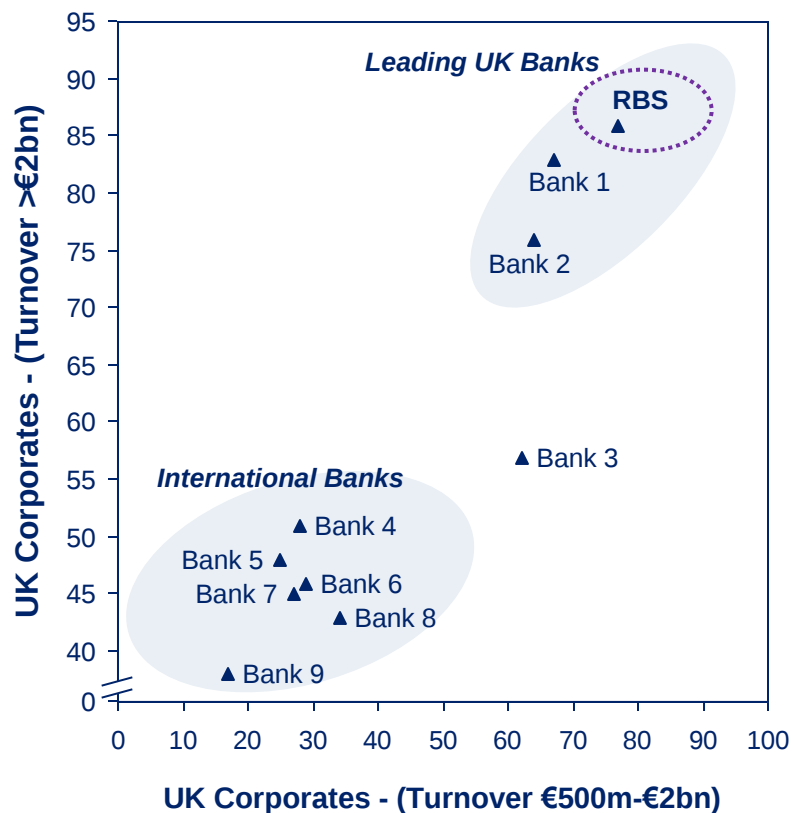
European Fixed Income - Rates¹

#1

Investment Grade strategy, Interest Rate strategy⁴

Leadership across UK Corporates¹

(Market Penetration, %)



Supporting UK Companies across all their needs



(Jul'15)

Loans, High Yield Bonds & Interest Rate Swaps

Lead arranger

Leading the biggest strategic transactions



(Aug'14)

c£7.7bn

Acquisition facility
(Loans – Deal of the Year)

**Joint underwriter, Bookrunner
Mandated lead arranger & Facility Agent**

Longstanding relationships, serving multi-product needs



- Longstanding relationship
- Service multi-product needs across:
 - Financing
 - UK Transaction services
 - Risk Management

Advising and innovating finance in the infra sector



1. Greenwich Associates (2015).

Western Europe proposition



- 9 branches and a strong hub in London
- A longstanding presence in the region
- Focused on key sectors
- Solving the financing needs of our customers

Delivering the biggest liability management exercise in Europe

(Sept'15)



EUR 6.5bn (equiv.)

Across 9 EUR and 2 GBP notes
Due 2016-2020

Lead structuring advisor and deal manager

Helping customers to access new markets

(May'15)



EUR1.0bn

Dual tranche senior unsecured bond
Debut Green Bond Issuance

Joint bookrunner

Mobilising our innovative financing expertise

(Apr'15)



EUR 1.25bn

Dual tranche hybrid capital issuance

Joint Active Bookrunner

Building solutions to help customers manage risks

(2015)



Interest Rate Swaps and Cross
Currency hedging

Risk solutions provider

Strong FIC-led FI franchise



- Well diversified FI customer base across;
 - Banks
 - Real Money; Asset Managers and Insurers
 - Hedge Funds
 - SWF & SSA¹
- Strong global risk distribution platform
- Focused on our core strengths in fixed income and Currencies markets

Consistently supporting the UK to raise money

(Jul'15)



- The fourth time RBS has been mandated by UK DMO and acted as duration manager on the longest conventional Gilt in existence

Helping customers to access new markets

(May'15)



- RBS helped Aviva re-open the EUR and GBP insurance hybrid markets, raising £1bn equivalent via dual tranche Tier 2 notes

Delivering market leading innovation

(Mar'15)



- RBS support the launch of Venn's challenger Dutch mortgage origination business
- RBS delivered a market-first automated financing and hedging platform

Leveraging strong financing capability

(Jun'15)



- RBS helped maintain the worlds oldest banks' access to capital markets despite ratings pressures
- RBS acted as Sole Structuring Advisor, cementing its Covered Bond expertise

1. SWF = Sovereign Wealth Funds, SSA = Sovereign, Supra and Agencies.

1 CIB and CPB working together

Chris Marks, CEO, CIB
Alison Rose, CEO, CPB

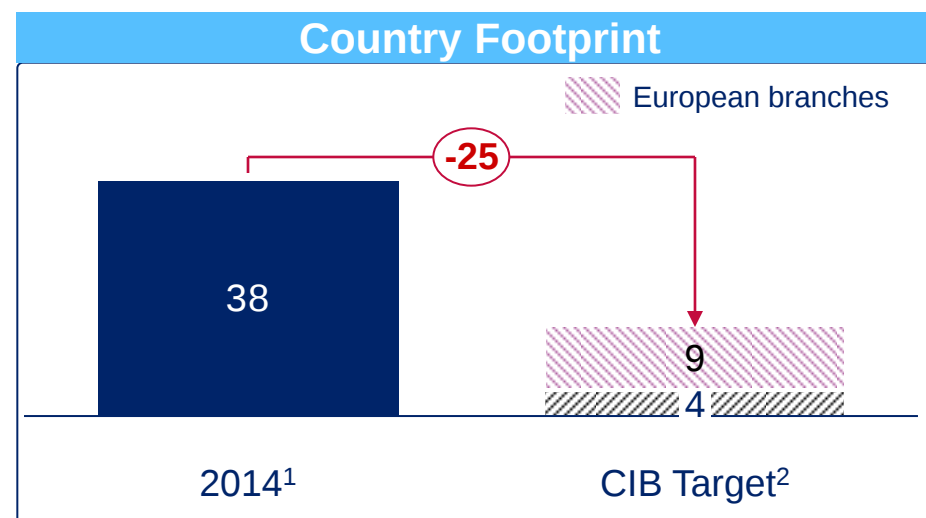
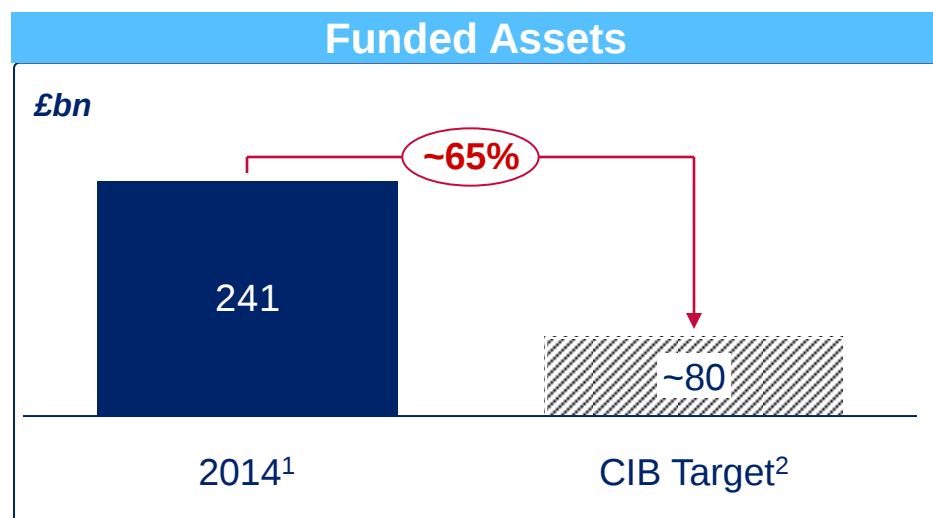
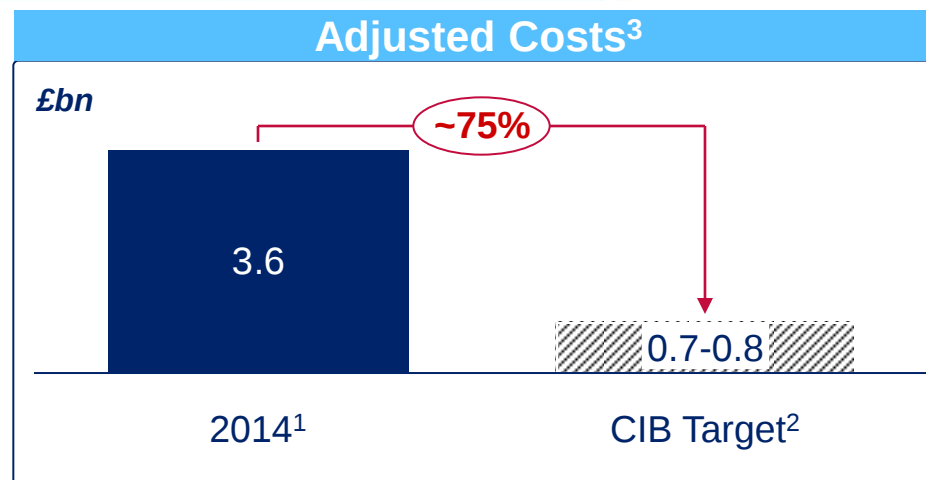
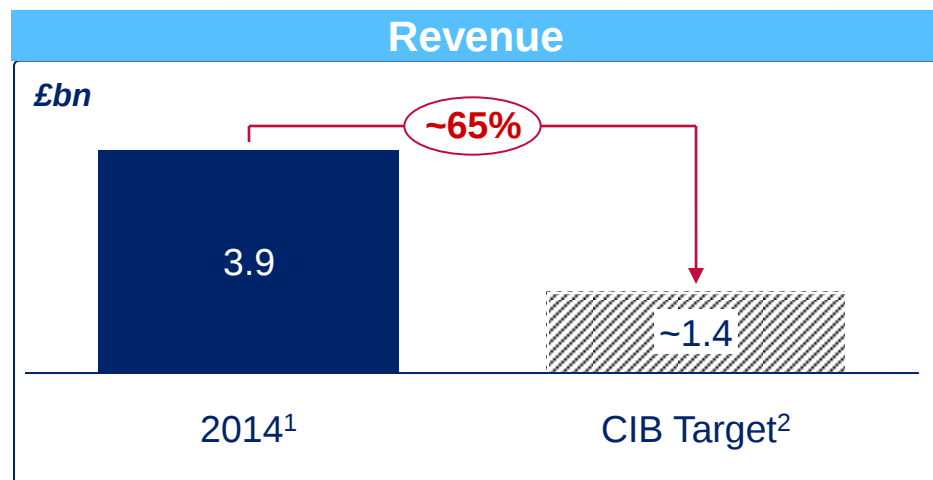
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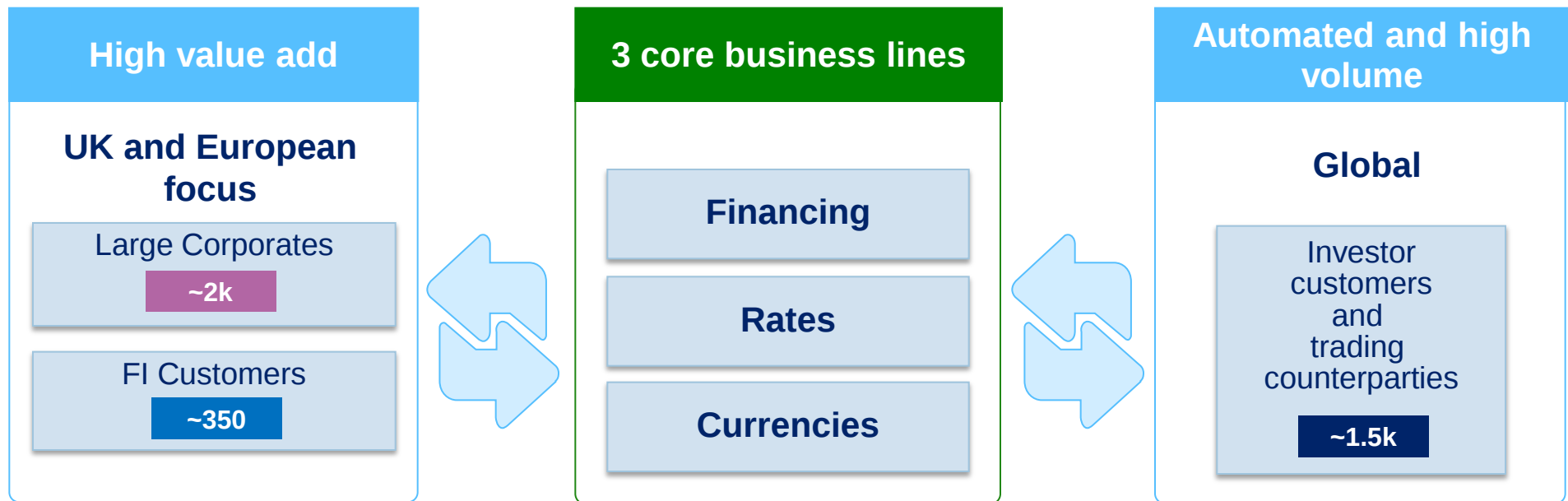
- ▶ Reshaping the front-line
- ▶ Re-engineering the business
- ▶ Targeting sustainable returns
- ▶ Planning for ring-fencing



8-10% RoE target⁴

1. 2014 financials represent legacy CIB division; and includes CIB Capital Resolution and transfers of UK and Western European loan portfolio businesses to CPB.
2. CIB GF target based on preliminary management estimates but dependent on, amongst other factors, future ring-fencing regulation (including connectivity revenue) and excludes Capital Resolution.
3. Adjusted costs exclude Restructuring costs and Litigation and conduct costs
4. As guided at the FY'13 results presentation

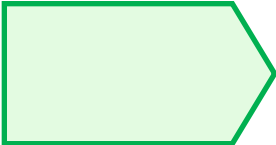
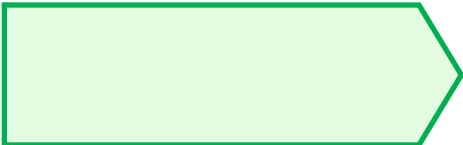
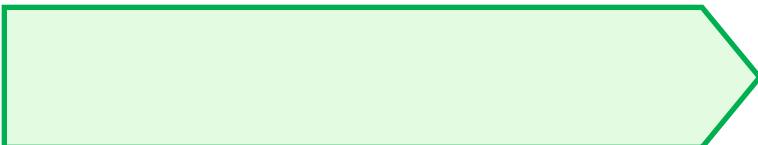
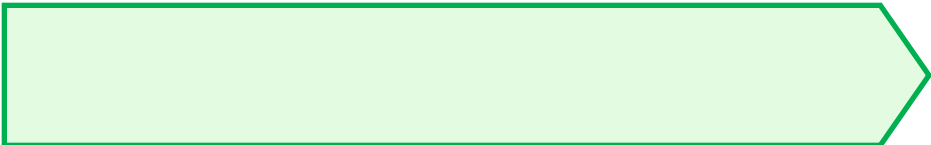
Reshaping the front-line – Simpler model and focused customer footprint



- CPB Large Corporates
- CIB covered FI customers
- CIB flow Sales and Trading

Reshaping the front-line – Well connected and product engine for the rest of the bank



Customers	Brands	Services		
		Currencies	Rates	Financing
Retail	  			
Wealth	  			
SME / Mid-cap	 			
Large Corporates ²				

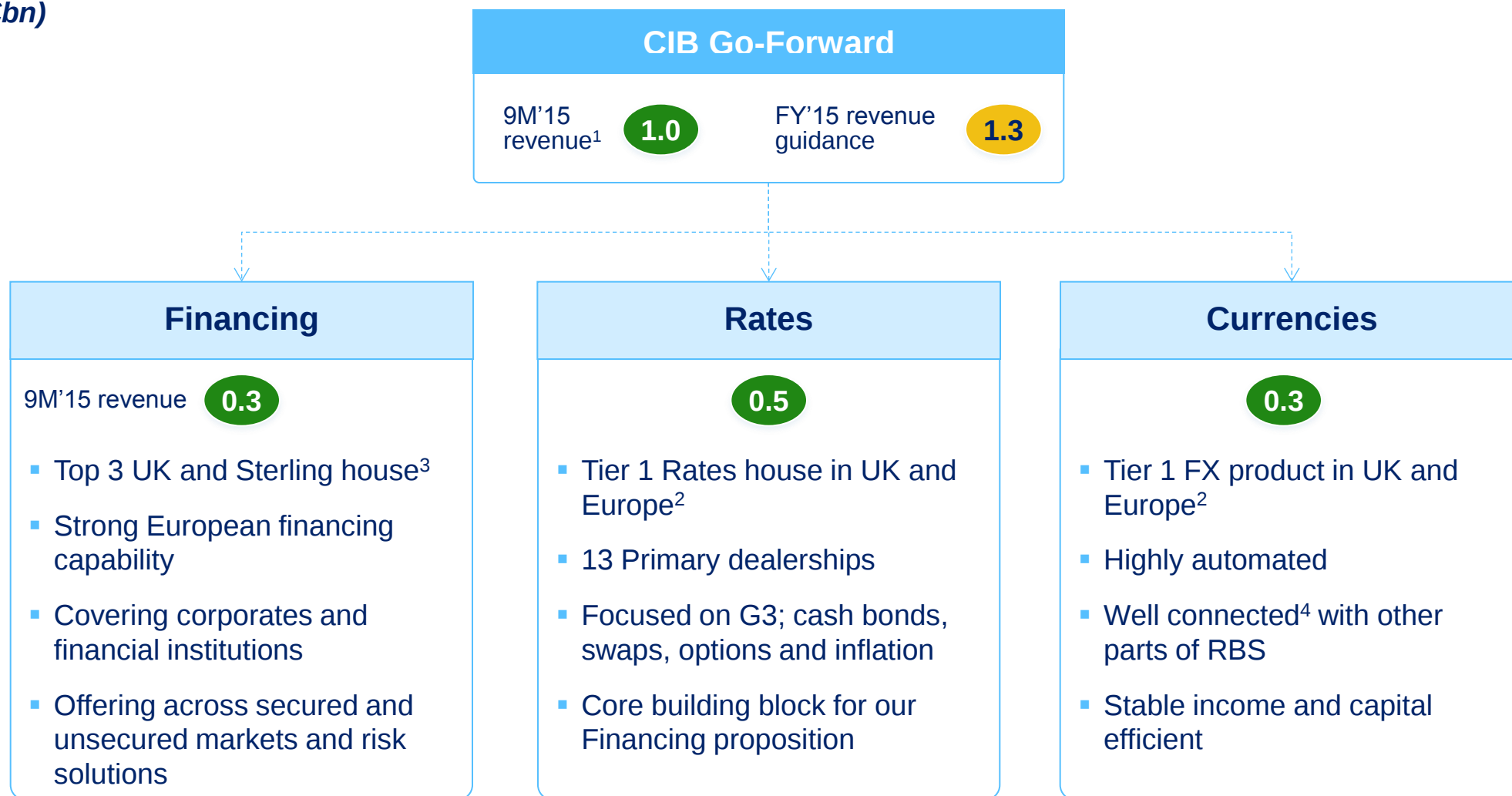
1. Current connectivity may not be indicative of future connectivity. See note on page 3.

2. Large Corporates represents CPB Large Corporates and CIB transfers of UK and Western European Corporates to CPB.

Reshaping the front-line – Three strong CIB business lines



(£bn)



1. CIB Go-Forward financials on basis of 9M 2015 actuals and also includes Banking / Other income (9M'15 income of £(0.1)bn). CIB Go-Forward excludes CIB Capital Resolution and transfers to CPB.

2. Greenwich Associates (2015).

3. Dealogic.

4. Current connectivity may not be indicative of future connectivity. See note on page 3.

Agile Markets

- Digitising customer experience



- Award winning 'App-based' platform
- More than 50 apps available



FX Micropay

- Enabling global on-line trade

FXmicropay

- Servicing the largest e-commerce and payment companies globally
- More than 85 currencies
- Processing over \$30bn in FX trades annually

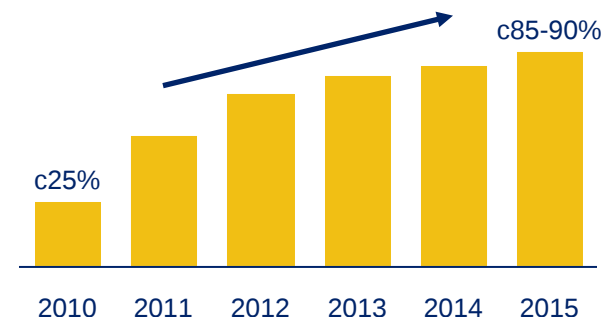


Most Innovative Investment Bank for Risk Management

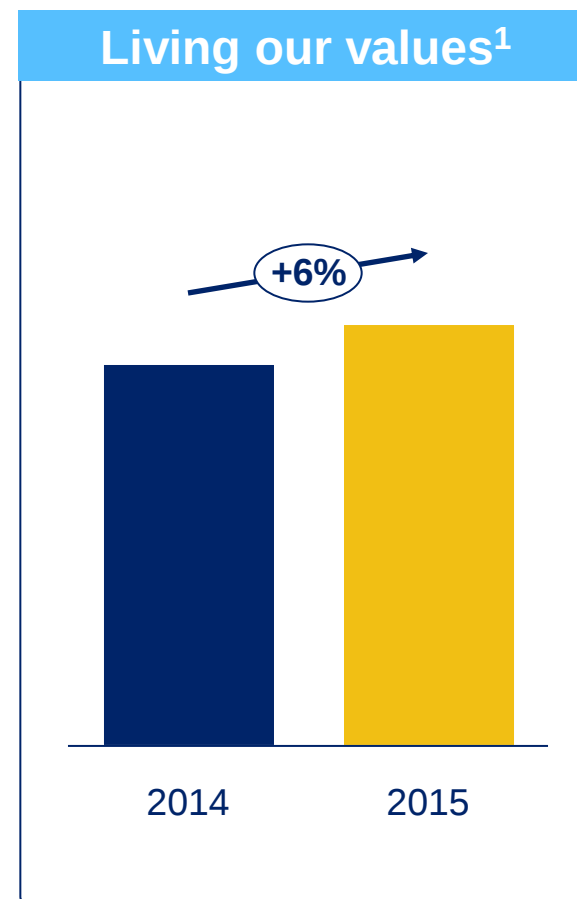
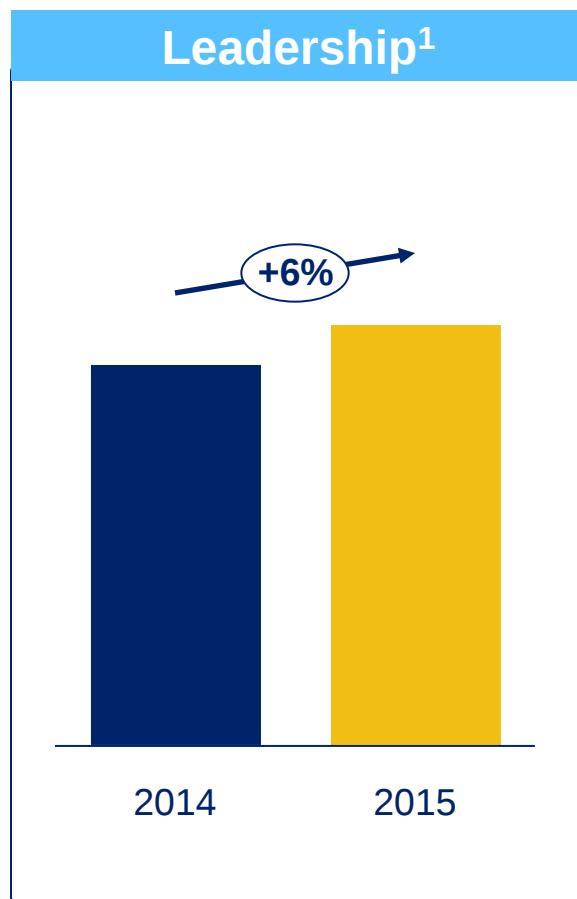
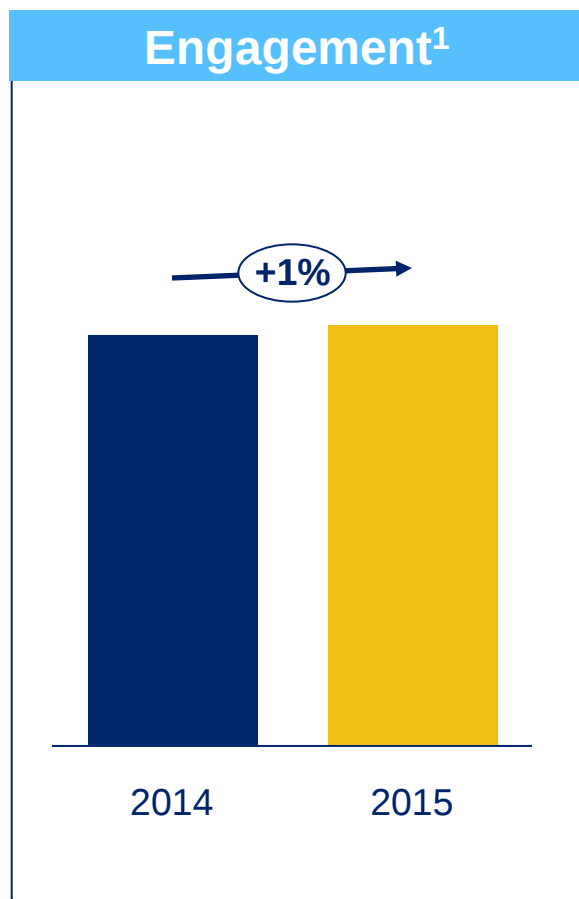
Automation of Sales and Trading

- Shifting customers from voice to e

(FX e-trading as a % total trading volume)



- Automated trading**
 - Automated trading platform for Gilts and German Government Bonds
 - Speed and consistency of customer experience
 - Currently extending coverage, ticket sizes and products



1. Engagement, Leadership and Living Our Values index for CIB based on internal staff survey (October 2015).

Simplified structure

Total CIB as at 2014

Products

Markets

GTS

DCM

Coverage

Regions

EMEA

APAC

US

Services & Functions

CIB Go Forward

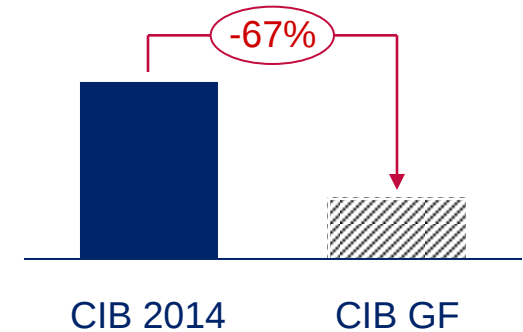
Business lines

Trading & Flow Sales

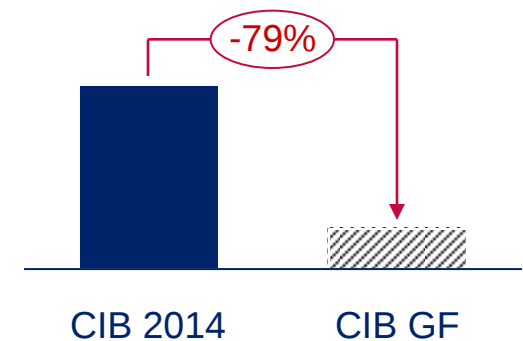
Financing & Risk Solutions

Services & Functions

Number of products¹



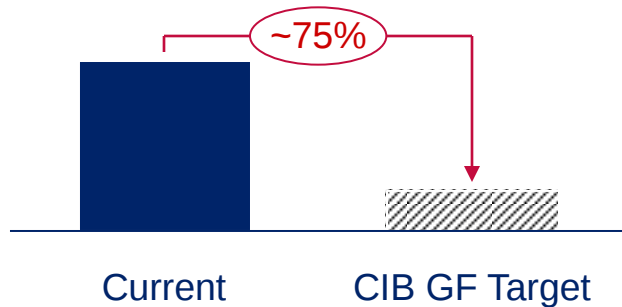
Number of committees¹



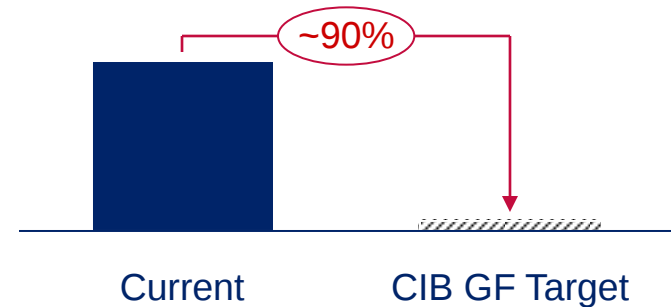
1. Number of Products and Committees reduction for CIB Go-Forward between December 2014 and November 2015.

Re-platforming CIB infrastructure

Infrastructure cost base



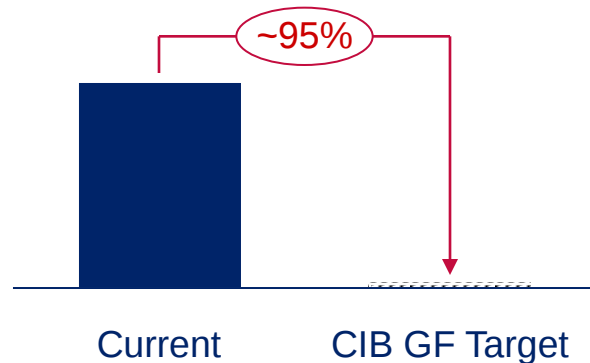
Number of applications



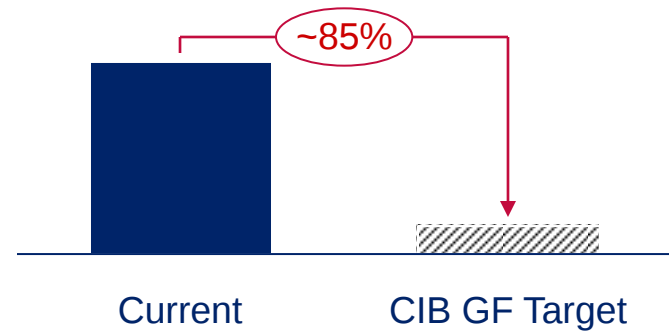
- Replacement of legacy processes and systems with new, simpler platform
- Supporting a simplified business centred in the UK
- Important enabler of cost reduction and efficiency targets

Building a strong control environment

Number of internal reconciliations



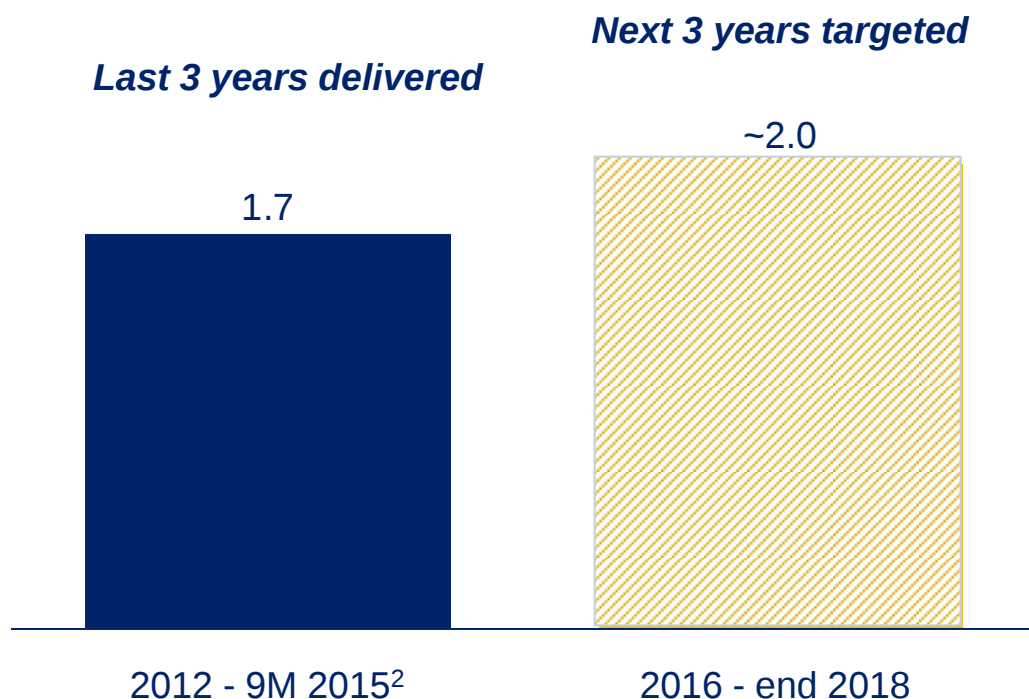
Number of interfaces



- 
- Regulatory change more difficult to respond to with current system configuration
 - Reduced number of jurisdictions as we exit 25 geographies
 - Targeting a single data repository
 - Standardising and automating front-to-back processes

Targeting sustained cost reduction¹

£bn



Delivery mechanisms

- Sustained momentum
- Skill set to deliver transformation
- Detailed cost diagnostics and multi-year plan
- Committing investment to enable efficiency

1. Costs reductions based on Adjusted Costs and exclude restructuring, litigation and conduct costs.

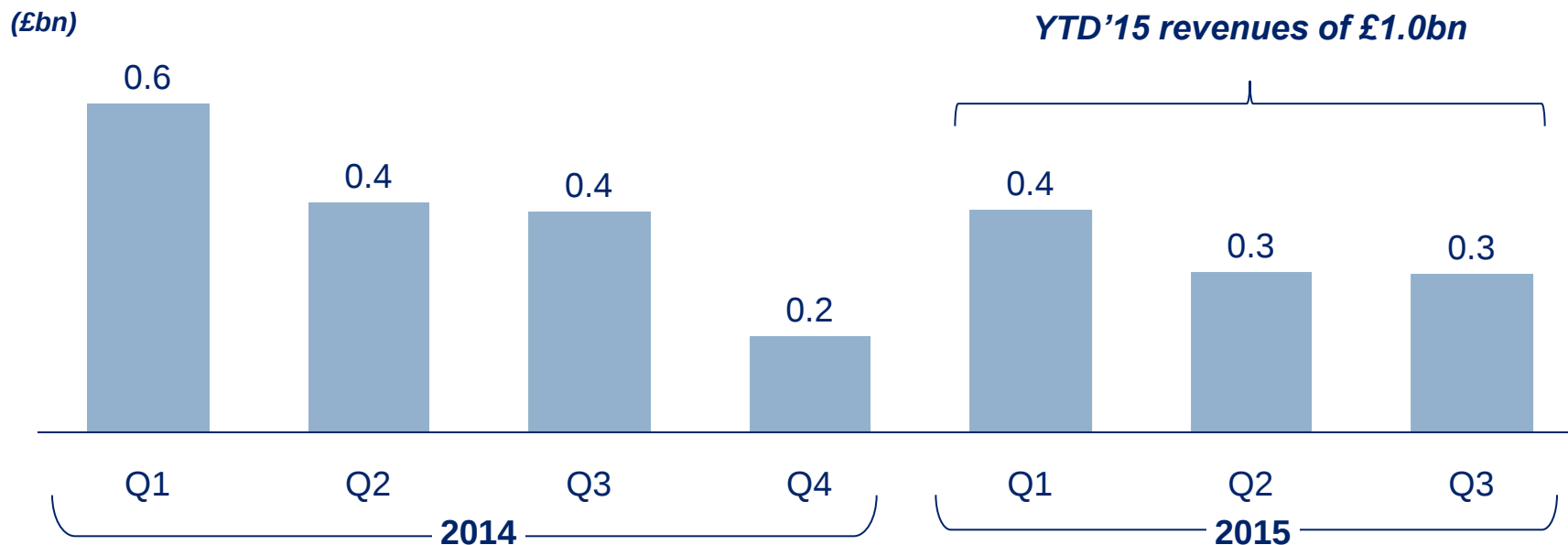
2. 2012 – 9M 2015 based on actuals

3. 2016 – 2018 based on CIB GF and CIB CR cost reductions. This excludes businesses to be transferred from CIB to CPB in 2015

1	Revenue	Revenues in the CIB Go-Forward business reflect stable customer activity and in-line with guidance
2	Costs	- Detailed cost planning is advanced; - Targeting a CIB cost base of ~£0.7-0.8bn - Clear approach to deliver cost savings across front office and back office
3	Balance Sheet	RWA in the CIB Go-Forward business tracking well against ~£30bn end state
4	Ring-fencing¹	Progressing implementation planning for ring-fencing

1. The proposed future ICB structure comprises part of the preliminary plan submitted to the PRA on 6 January 2015 and is subject, amongst other matters, to (i) further analysis and possible amendment following finalised ring-fencing regulation and discussions with the PRA and finalisation of the ring-fencing legislation and the PRA ring-fencing rules, (ii) all applicable regulatory and other approvals and (iii) employee consultation procedures.

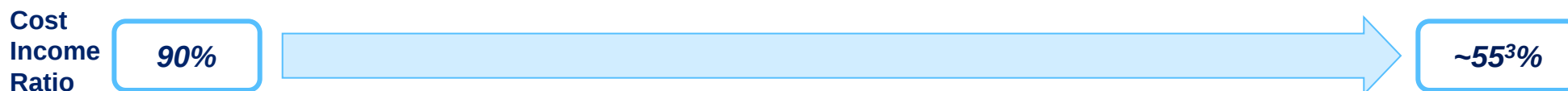
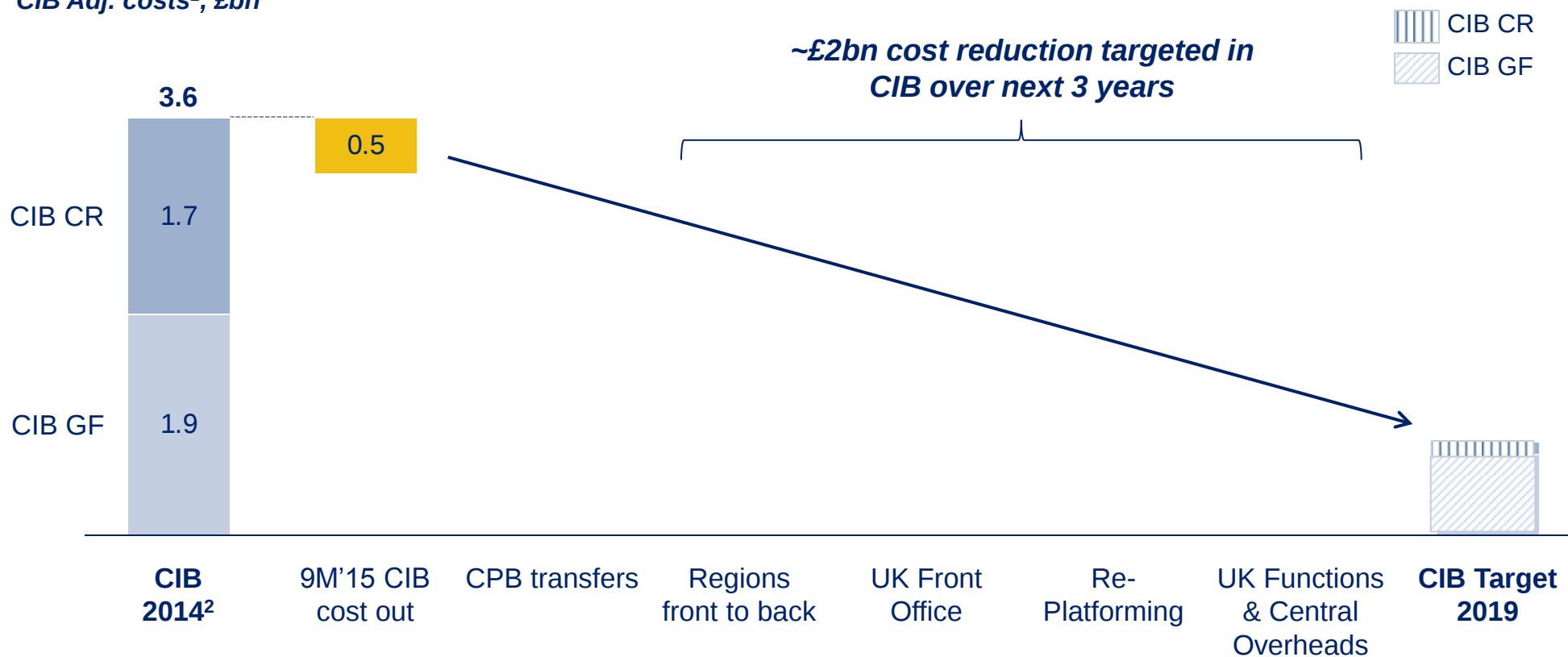
CIB Go-Forward Revenues



- Revenues underpinned by customer demand and tracking management guidance
- Q3'15 performance stable QoQ despite challenging market conditions in August

Costs – Plan to deliver c£2.0bn reduction to our cost base

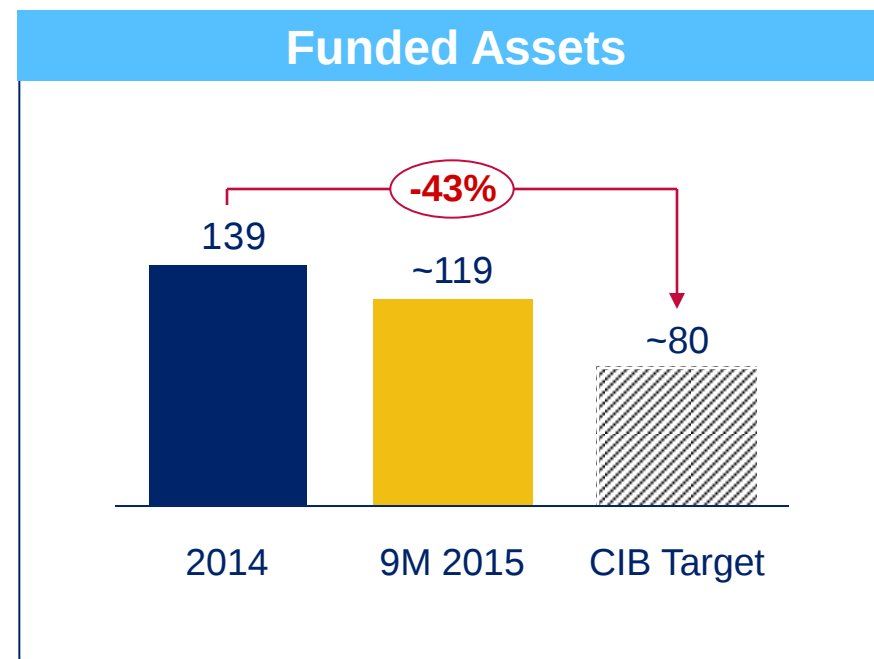
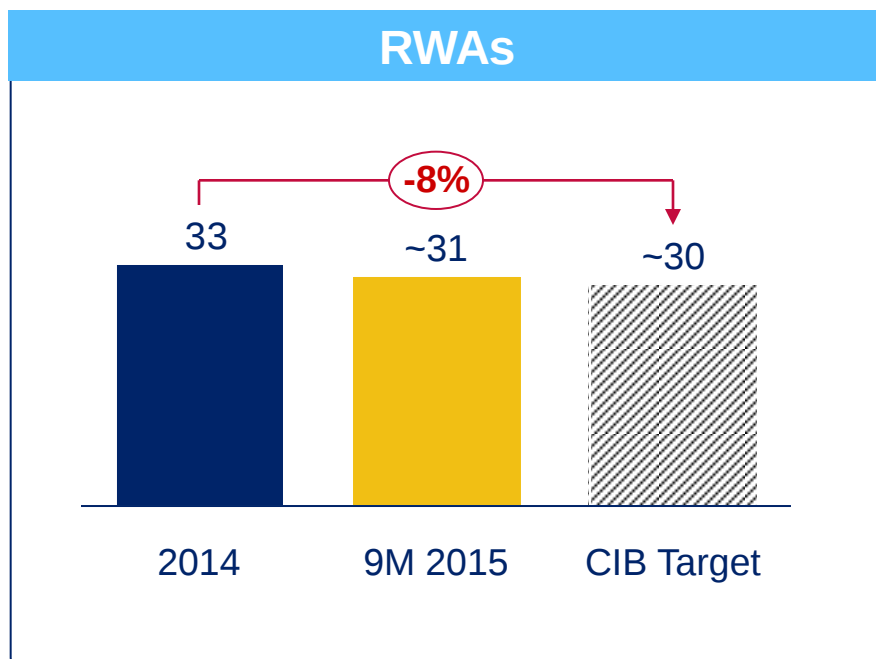
CIB Adj. costs¹, £bn



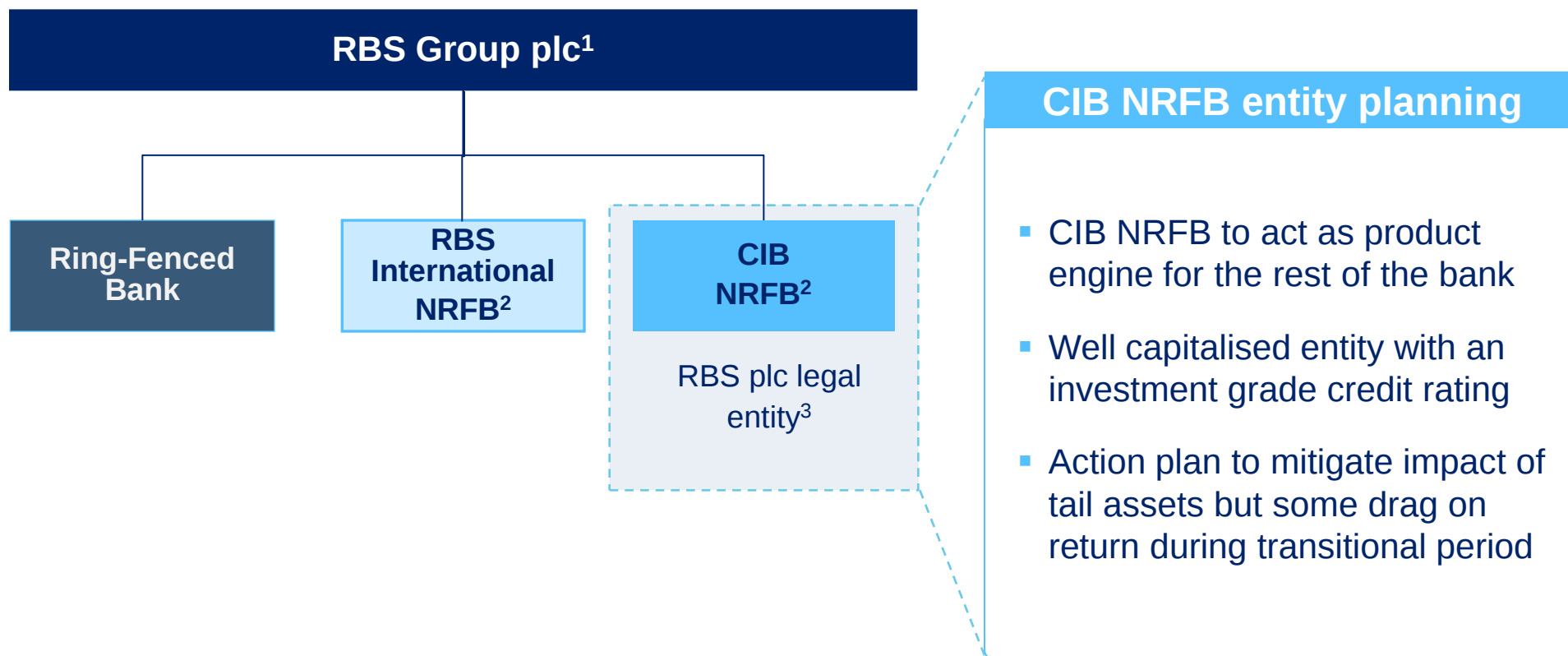
1. Adjusted costs exclude Restructuring costs and Litigation and conduct costs
2. 2014 Costs based on total CIB including assets to be transferred to CPB.
3. Cost Income ratio target for CIB Go-Forward

Regions front to back	▪ Downsizing / Exit of countries in CIB Capital Resolution ▪ Cost reduction expected to be substantially completed by 2018
UK Front Office	▪ Front office re-alignment and simplified coverage model ▪ Trade flow optimisation; increase business automation and standardisation of processes ▪ Drive towards low cost electronic channels across our flow businesses ▪ Rationalised client footprint
Re-platforming	▪ Removal of applications through the implementation of single vendor platform ▪ Decommissioning of legacy infrastructure estate (i.e. Data centre footprint, Servers etc) ▪ Reduction in infrastructure services cost ▪ Reduction in IT end user costs ▪ Reduction in technology headcount
UK Functions & Central overheads	▪ Simplified operating model, optimised location footprint and leveraging offshoring model ▪ Improved data consistency and quality ▪ Simplification of legal entity and reporting processes ▪ Automation of pre-deal processes and improved credit lifecycle processes ▪ Reduction of overheads through bank wide cost programme

CIB Go-Forward¹ (£bn)



- RWAs in line with CIB Go-Forward end state target however uncertainty around final capital rules and regulation
- Active balance sheet management to reduce Funded Assets



1. The proposed future ring fencing structure comprises part of the preliminary plan submitted to the PRA on 6 January 2015 and is subject, amongst other matters, to (i) further analysis and possible amendment following discussions with the PRA and finalisation of the ring-fencing legislation and the PRA ring-fencing rules, (ii) all applicable regulatory and other approvals and (iii) employee consultation procedures.

2. Non Ring-Fenced Bank.

3. RBS plc entity will own most of our activities outside the ring-fence - primarily our Markets business (Rates, Currencies, Financing) and some corporate activity, as well as our US broker-dealer, RBSSI

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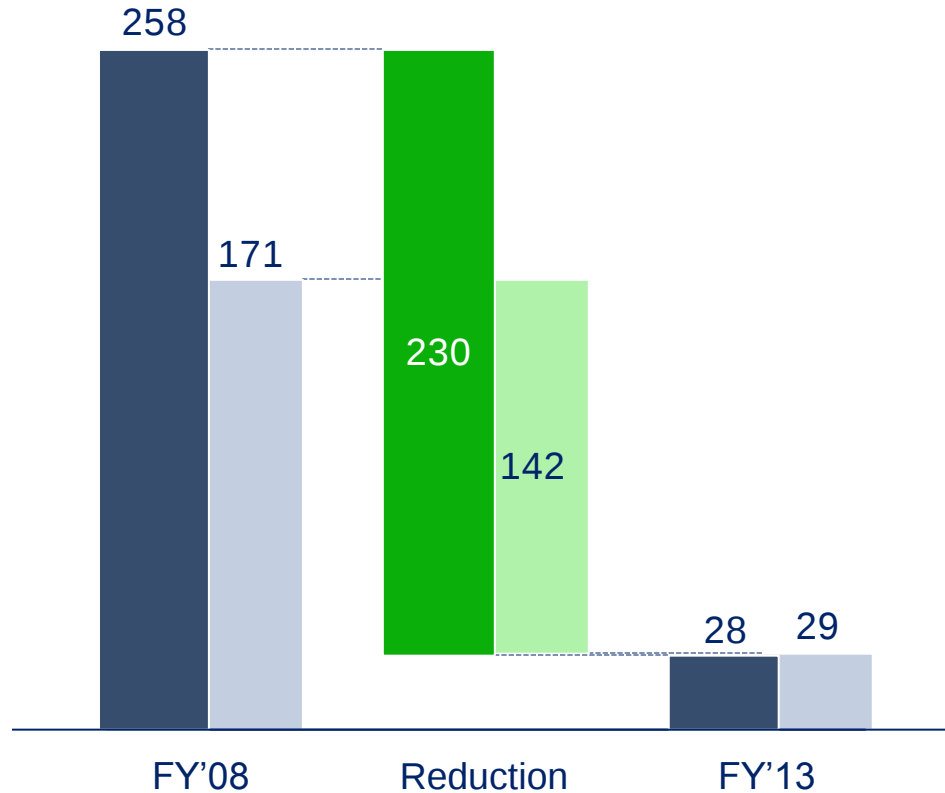
Track record of legacy asset reductions



£bn Third Party Assets¹ Risk-Weighted Assets²

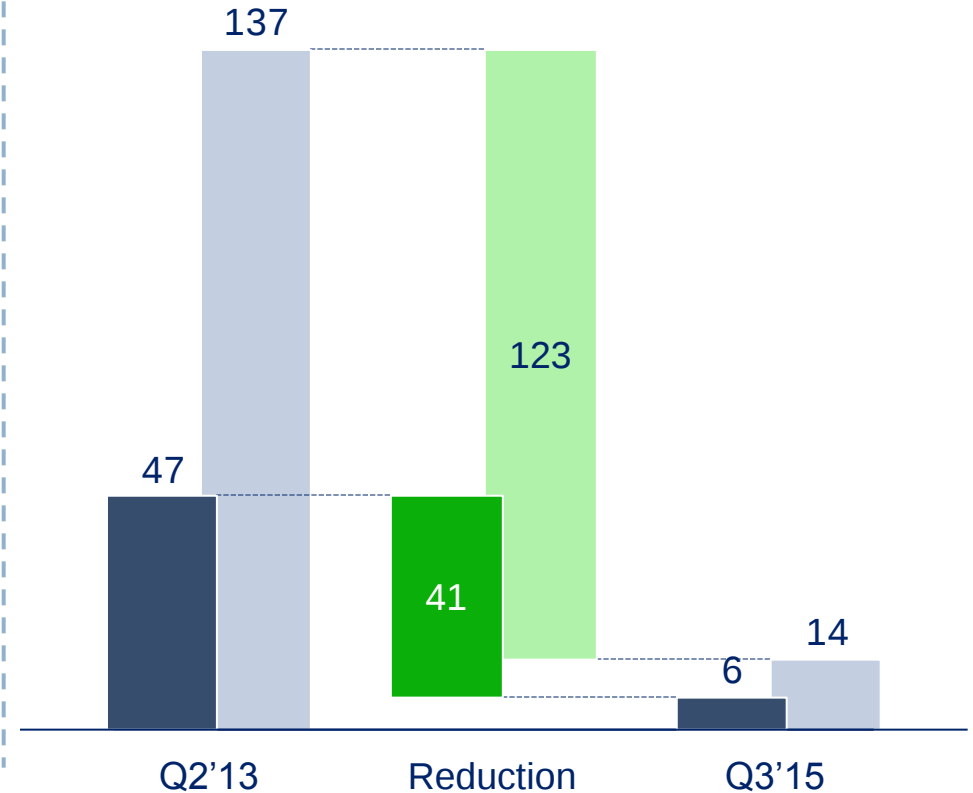
RBS Non-Core

£230bn Third Party Asset (TPA) reduction achieved



RCR²

On track to achieve TPA reduction target a year ahead of schedule



¹ Excluding derivatives ² RCR shows Risk-Weighted Asset Equivalents (RWAE). An internal metric that measures the equity capital employed in divisions. RWAE converts both the performing and non-performing exposures into a consistent capital measure, being the sum of regulatory RWAs and the regulatory capital deductions (latter converted to RWAE by applying a multiplier)

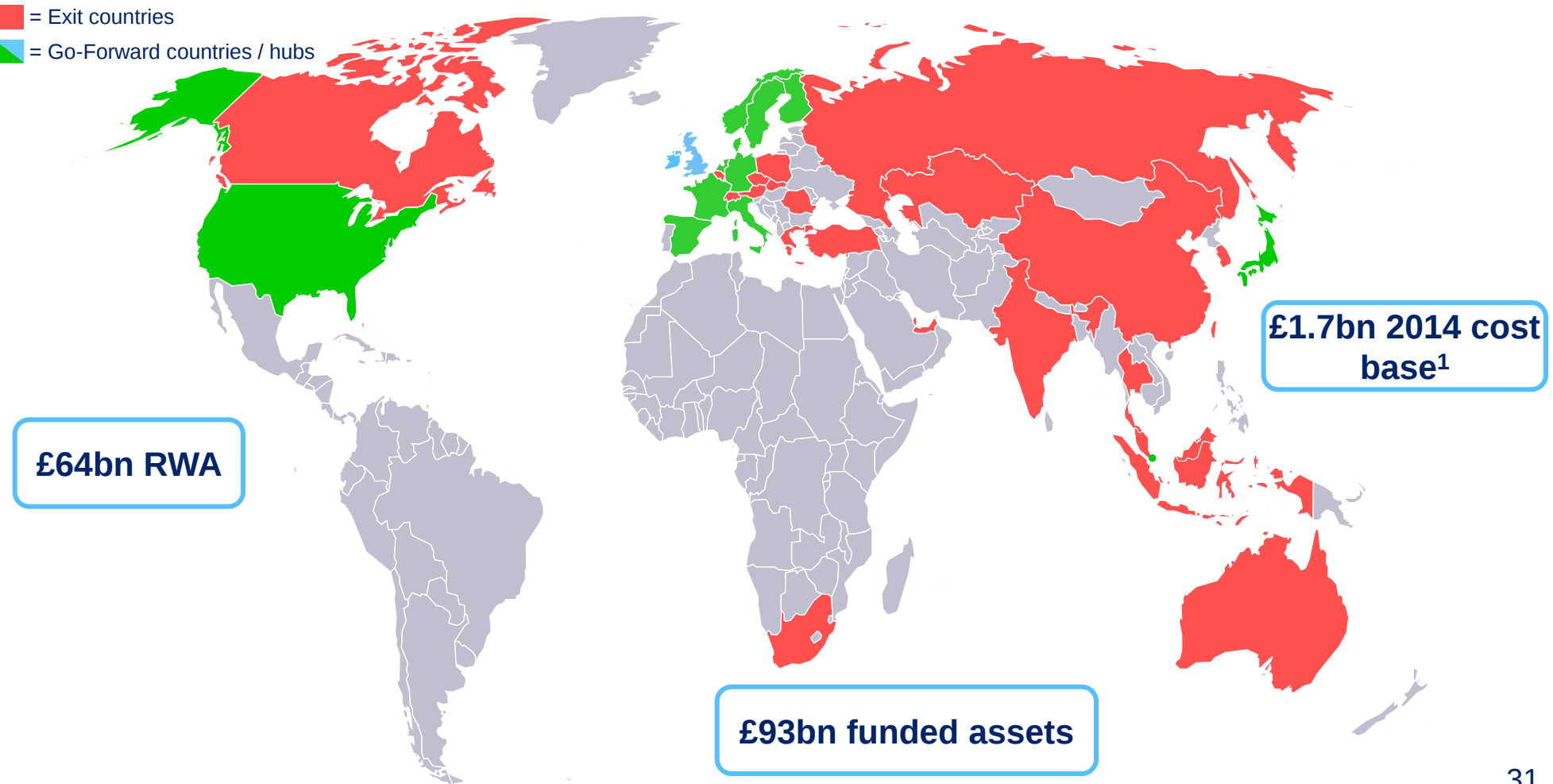
CIB CR – Downsizing / exiting 34 countries to refocus on UK and Western European businesses

What we started with (December 2014):

Key asset classes: Markets; Global Transaction Services; Portfolios

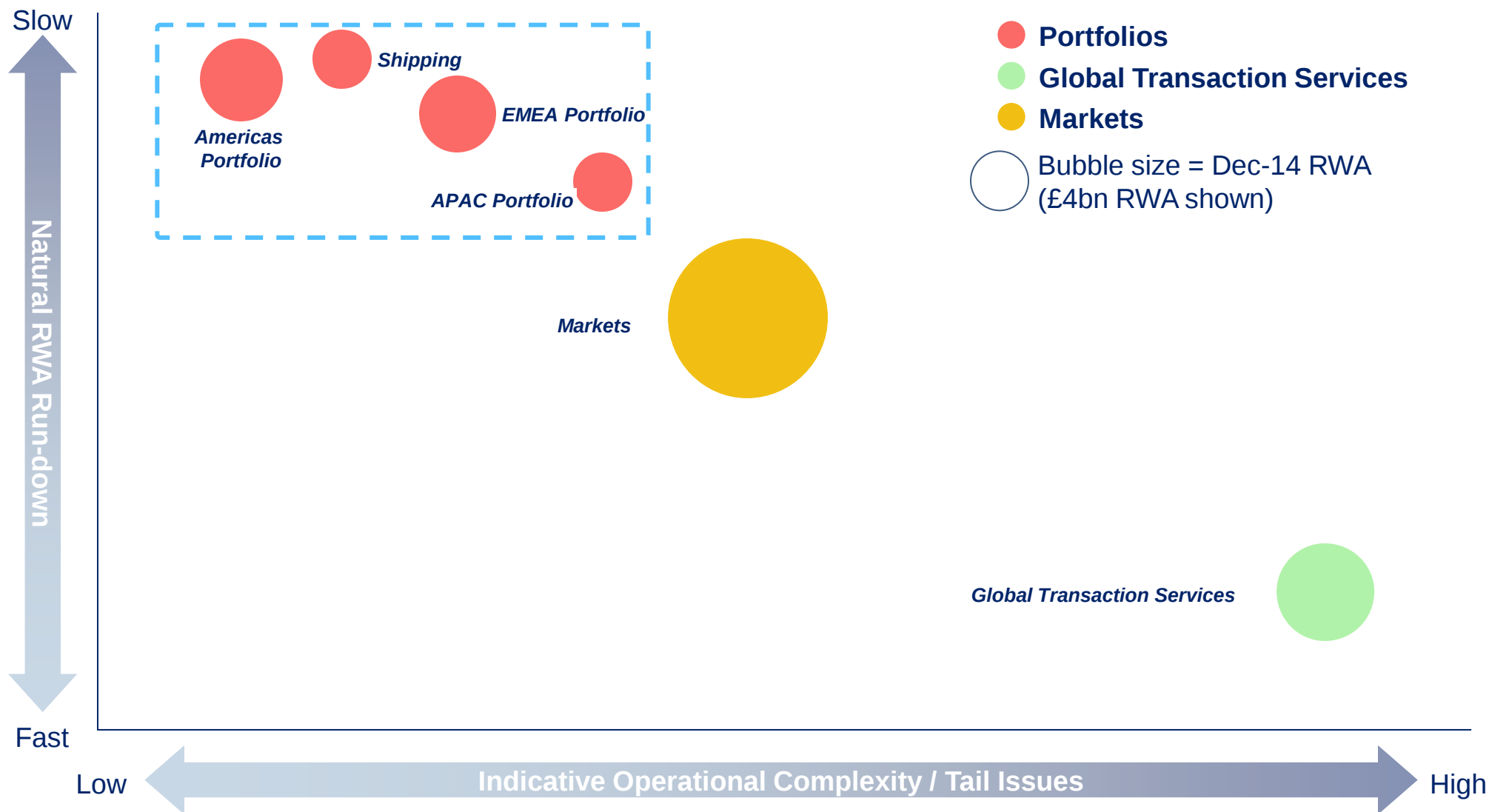
■ = Exit countries

■ = Go-Forward countries / hubs

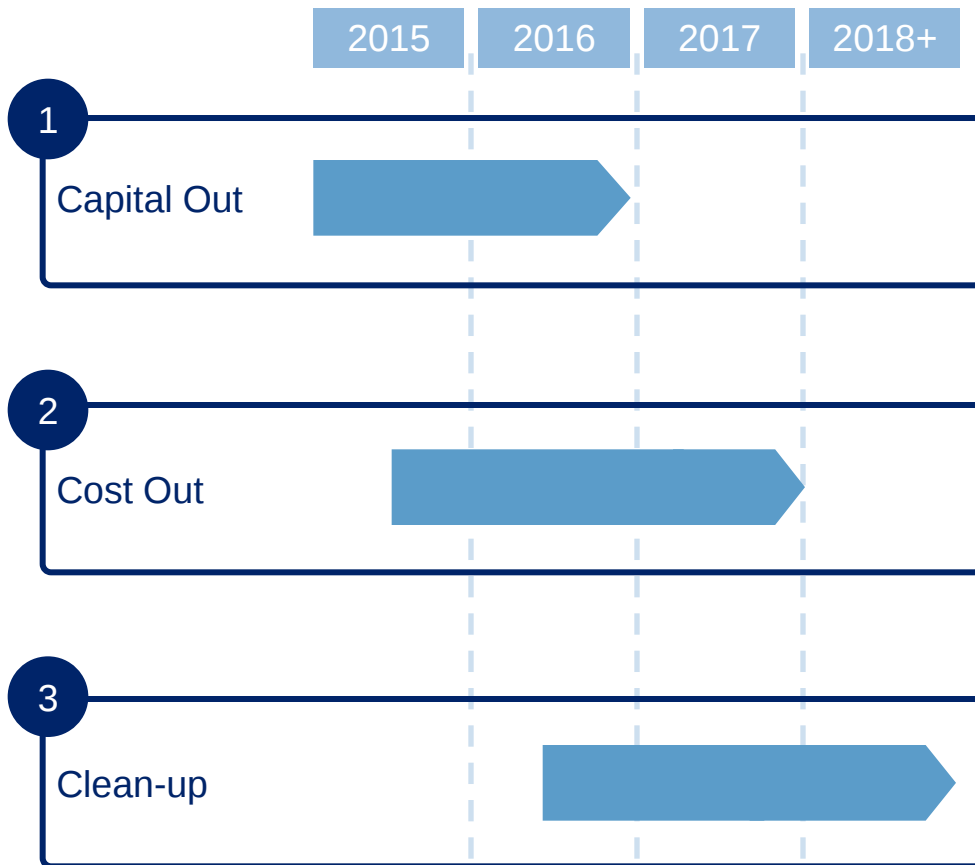


¹ Adjusted Operating Expenses - excludes restructuring and litigation and conduct costs

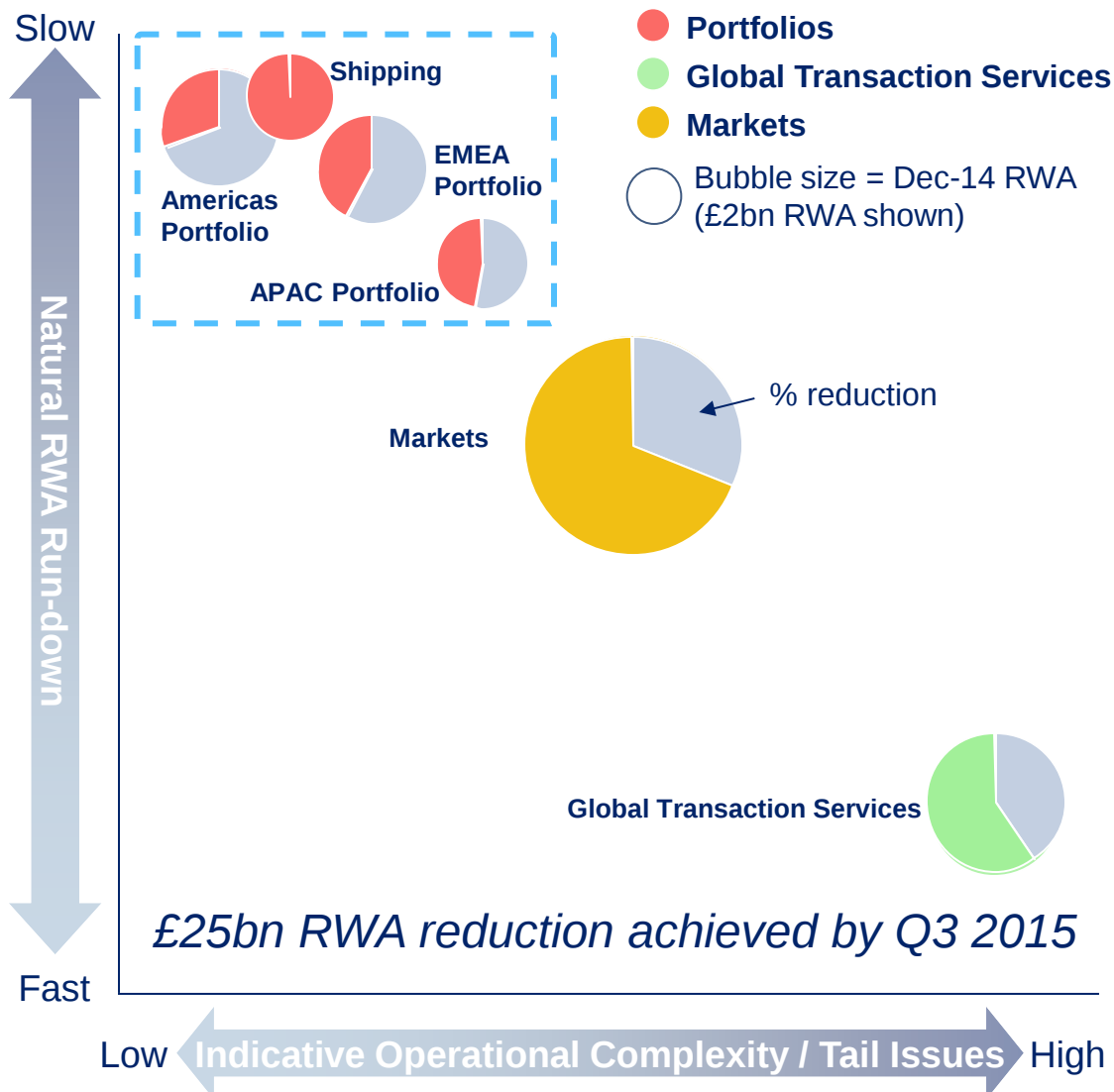
CIB CR – What is it?



Strategic Overview



- Three stage strategy:
 - Early removal of assets and release of capital
 - Systematic reduction of cost base as operational activity is reduced
 - Management of legacy issues where acceleration is infeasible or uncertain



Key Achievements to date

- Good progress made in Q3 2015, with the sale of North American loan portfolios to Mizuho largely complete
- RWAs were reduced by £6.7bn to £38.7bn in Q3 2015 with the reduction since the start of 2015 totalling £25.4bn
- Expect to be substantially out of our North America exit portfolio by year-end 2015. US asset-backed product exited
- Further APAC portfolio sale announced to China Construction Bank Corporation
- Signed referral bank agreement with BNP Paribas to assist GTS clients with off-boarding – client communication programme well advanced

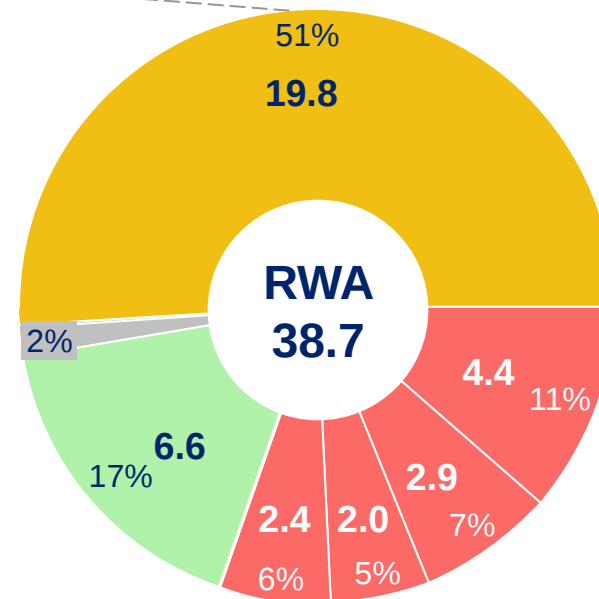
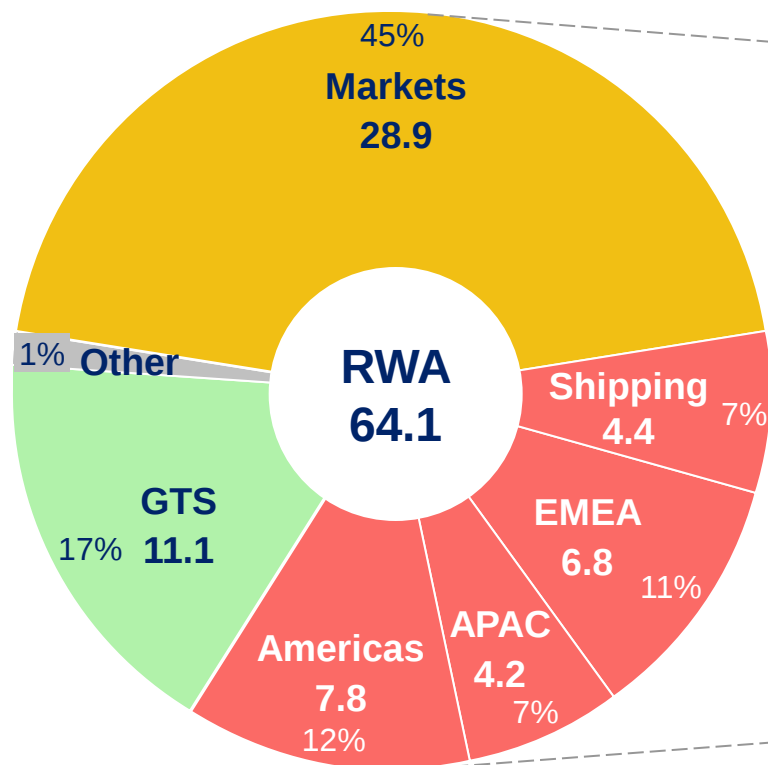
Capital Out – Progress to date



£bn, RWA

Full Year 2014

Q3 2015

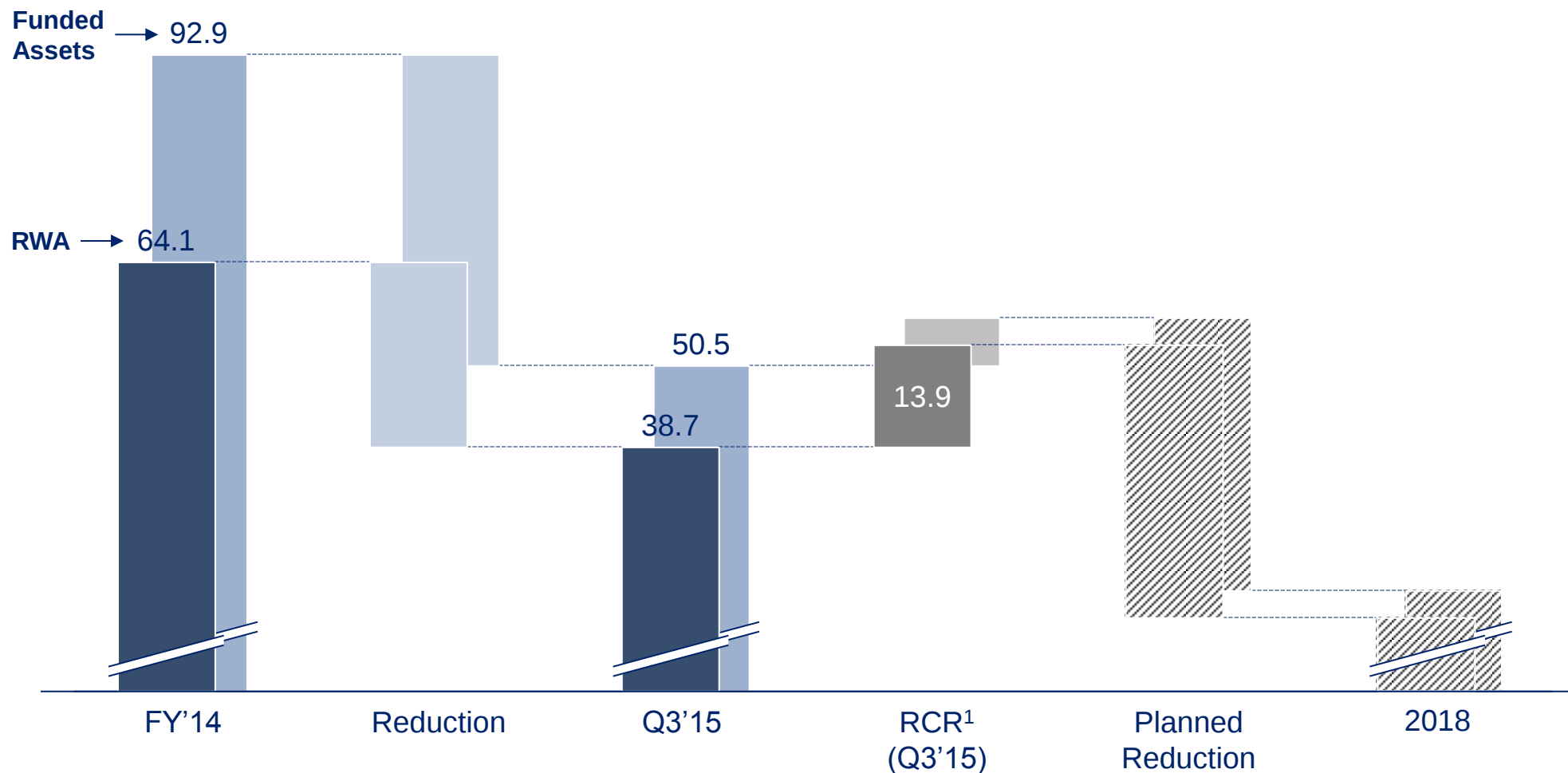


Portfolios Global Transaction Services Markets Other

Capital Out – Outlook



£bn



Disposal Losses

£0.2bn

~£1.3bn

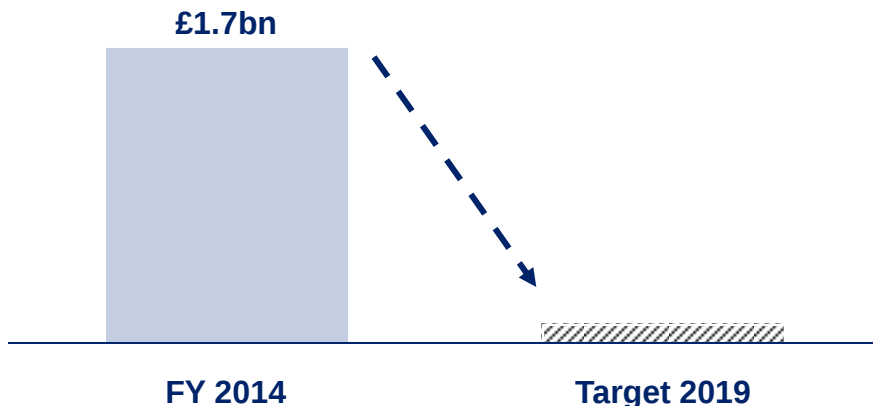
Total = ~£1.5bn

¹ RCR shows Risk-Weighted Asset Equivalents (RWAE). An internal metric that measures the equity capital employed in divisions. RWAE converts both the performing and non-performing exposures into a consistent capital measure, being the sum of regulatory RWAs and the regulatory capital deductions (latter converted to RWAE by applying a multiplier)

Costs Out

- Removal of £1.7bn annual cost base is key objective for CIB Capital Resolution
- Cost reduction contingent on removal of GTS clients & infrastructure – pace of reduction will lag that of asset exits
- Small staff base to be retained in order to manage key tail issues and exit of residual assets

Operating Expenses (adjusted¹):



Clean-Up & Tail Management

- Essential to reduce complexity across all businesses and portfolios, including:
 - Closure of remaining SPVs and Legal Entities where no longer required
 - Decommissioning / streamlining of systems as clients are exited
- Potential future tail risks have been identified and actions underway to mitigate where possible
- Put in place the right teams and governance framework to ensure effective management of residual assets

¹ Excludes restructuring and litigation and conduct costs



A leading UK and Western European business



Executing a multi-year restructuring and transformation across CIB



Making good progress winding down the Capital Resolution



Planning for ring-fencing



Focused on delivering sustainable returns

Q&A

Appendix

Chris Marks

CEO, CIB



- Appointed CEO of CIB on 28th Feb 2015 and appointed to RBS ExCo in April 2015
- Appointed Co-CEO of the newly created RBS Capital Resolution Division on 1st March 2014
- Joined the Non-Core Division of RBS in 2010 to take up a role as Co-Head of Non-Core Solutions and Head of Non-Core Markets
- Chris joined RBS from Barclays Capital where he was a Managing Director responsible for origination, structuring, and execution of secured funding, risk transfer, and liability management transactions in EMEA
- Prior roles include Head of Treasury at Kensington Group, securitisation at Greenwich Natwest and Coopers & Lybrand audit

Mark Bailie

CEO, Capital Resolution



- Date of Appointment - February 2015
- In 2010 Mark returned to RBS as Head of Non-Core Solutions, where he led a number of key transactions such as the disposal of RBS Aviation Capital \$7.3bn and Isobel Real Estate Fund with Blackstone £1.3bn. Mark then worked with HMT on the bad bank review which led to the creation of RBS Capital Resolution (RCR) and his subsequent appointment as Co-CEO RCR. RCR has successfully run down £32bn of RBS's higher risk and capital intensive assets, the run down is a year ahead of plan.
- In February 2015 Mark was appointed CEO of Capital Resolution, taking on the leadership for the sale and run down portions of Corporate & Institutional Banking, while continuing as CEO of RCR. In April 2015 Mark joined the Executive Committee of RBS.
- Before re-joining RBS, Mark was Head of Barclays Capital's Principal Investments unit, leading transactions in the UK, US and South Africa. Mark joined Barclays Capital from RBS Equity Finance where he led investments such as Canary Wharf and Towergate.
- Mark is a qualified chartered accountant and worked in PwC Corporate Finance and Cooper & Lybrand audit before RBS Equity Finance.

Alison Rose
CEO, CPB



- Alison Rose is the Chief Executive of the RBS's Corporate, Commercial & Private Banking business and joined the Coutts Board on 1 October 2015. She is a member of the RBS Executive Committee, leading over 16,000 people and accountable for market-leading brands such as Coutts and Lombard.
- She has worked at RBS for over 20 years. Prior to her current role, she was Head of EMEA, Markets & International Banking. Previous roles with RBS also include Head of EMEA Corporate Coverage & Client Management, Head of Non-investment Grade Origination and Head of Leveraged Finance for the UK and Europe.
- Previously shortlisted for the 'most influential woman in investment banking' award by Financial News, Alison is a passionate supporter of diversity and is executive sponsor for the bank's employee-led networks. She also champions RBS's partnership with Entrepreneurial Spark, an innovative initiative that is supporting start-up businesses across the UK.

Richard Place
FD, CIB



- Appointed Finance Director of CIB in July 2015.
- Prior to this role Richard was CFO, then COO, of RBS APAC, overseeing the restructuring of the CIB business in APAC.
- Richard started his career working in audit with Price Waterhouse and since then has spent over 20 years in various Finance roles at Bankers Trust, Deutsche Bank, Lehman Brothers and Barclays Capital before joining RBS in 2007.

Forward Looking Statements



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', 'believe', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions.

In particular, this document includes forward-looking statements relating, but not limited to: The Royal Bank of Scotland Group plc's (RBS) transformation plan (which includes RBS's 2013/2014 strategic plan relating to the implementation of its new divisional and functional structure and the continuation of its balance sheet reduction programme including proposed divestments, RBS's information technology and operational investment plan, the proposed restructuring of RBS's CIB business into a Go-Forward Bank and an Exit Bank and the restructuring of RBS as a result of the implementation of the regulatory ring-fencing regime into a non-ringfenced bank, referred to in this document as "CIB and CPB working together", and a ring-fenced bank, together the "Transformation Plan"), as well as restructuring, cost reduction, capital and strategic plans, ring-fencing regime planning, information or data presented in respect of all or any of CIB Go-Forward (or "CIB GF"), CIB Capital Resolution (or "CIB CR"), CIB NRFB or Exit Bank, divestments, capitalisation, portfolios, net interest margin, capital and leverage ratios, liquidity, risk-weighted assets (RWAs), RWA equivalents (RWAE), return on equity (ROE), Income, Funded Assets, adjusted costs (Adj. costs), profitability, cost:income ratios, loan:deposit ratios, capital raising plans, funding and risk profile; RBS's future financial performance; the level and extent of future impairments and write-downs; and RBS's exposure to various types of market risks. References to "RBS" may also be applicable to CIB and CPB working together, CIB Go-Forward (or "CIB GF"), CIB Capital Resolution (or "CIB CR"), CIB NRFB or Exit Bank and other constituent parts of these businesses or RBS. These statements are based on current plans, estimates, targets 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 and other disclosures are dependent on choices relying on 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 adversely affect our results and the accuracy of forward-looking statements in this document include the risk factors and other uncertainties discussed in the 2014 Annual Report and Accounts. These include the significant risks for RBS presented by the execution of the Transformation Plan; RBS's ability to successfully implement the various initiatives that are comprised in the Transformation Plan, particularly the balance sheet reduction programme including the divestment of Williams & Glyn and its remaining stake in CFG, the proposed restructuring of its CIB business and the significant restructuring undertaken by RBS as a result of the implementation of the ring fence; whether RBS will emerge from implementing the Transformation Plan as a viable, competitive, customer focused and profitable bank; RBS's ability to achieve its capital targets which depend on RBS's success in reducing the size of its business; the cost and complexity of the implementation of the ring-fence and the extent to which it will have a material adverse effect on RBS; the risk of failure to realise the benefit of RBS's substantial investments in its information technology and operational infrastructure and systems, the significant changes, complexity and costs relating to the implementation of the Transformation Plan, the risks of lower revenues resulting from lower customer retention and revenue generation as RBS refocuses on the UK as well as increasing competition. In addition, there are other risks and uncertainties. These include RBS's ability to attract and retain qualified personnel; uncertainties regarding the outcomes of legal, regulatory and governmental actions and investigations that RBS is subject to (including active civil and criminal investigations) and any resulting material adverse effect on RBS of unfavourable outcomes; heightened regulatory and governmental scrutiny and the increasingly regulated environment in which RBS operates; uncertainty relating to the referendum on the UK's membership of the EU and the consequences arising from it; operational risks that are inherent in RBS's business and that could increase as RBS implements its Transformation Plan; the potential negative impact on RBS's business of actual or perceived global economic and financial market conditions and other global risks; how RBS will be increasingly impacted by UK developments as its operations become gradually more focused on the UK; uncertainties regarding RBS exposure to any weakening of economies within the EU and renewed threat of default or exit by certain countries in the Eurozone; the risks resulting from RBS implementing the State Aid restructuring plan including with respect to the disposal of certain assets and businesses as announced or required as part of the State Aid restructuring plan; the achievement of capital and costs reduction targets; ineffective management of capital or changes to regulatory requirements relating to capital adequacy and liquidity; the ability to access sufficient sources of capital, liquidity and funding when required; deteriorations in borrower and counterparty credit quality; the extent of future write-downs and impairment charges caused by depressed asset valuations; the value and effectiveness of any credit protection purchased by RBS; the impact of unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, commodity prices, equity prices; basis, volatility and correlation risks; changes in the credit ratings of RBS; changes to the valuation of financial instruments recorded at fair value; competition and consolidation in the banking sector; regulatory or legal changes (including those requiring any restructuring of RBS's operations); changes to the monetary and interest rate policies of central banks and other governmental and regulatory bodies and continued prolonged periods of low interest rates; changes in UK and foreign laws, regulations, accounting standards and taxes; impairments of goodwill; the high dependence of RBS's operations on its information technology systems and its increasing exposure to cyber security threats; the reputational risks inherent in RBS's operations; the risk that RBS may suffer losses due to employee misconduct; pension fund shortfalls; the recoverability of deferred tax assets; HM Treasury exercising influence over the operations of RBS; limitations on, or additional requirements imposed on, RBS's activities as a result of HM Treasury's investment in RBS; and the success of RBS in managing the risks involved in the foregoing.

The forward-looking statements contained in this document speak only as of the date of this document, and RBS 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..