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Investor Round Table

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

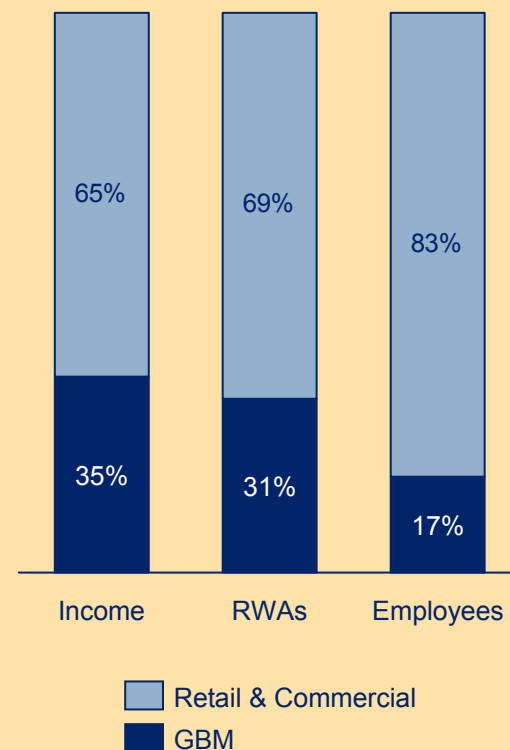
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Key Facts

- Underwritten 543 bonds globally, 12.6% of issues in 2009¹
- 5th largest arranger of syndicated loans outside US in 2009¹
- # 4 for all bond issuance in the EMEA in 2009²
- # 1 for EMEA Corporate IG bonds in 2009²
- In the Sterling market, # 1 for all bond issuance in 2009²
- Primary dealer in 26 countries
- Largest bookrunner for the UK Debt Management Office in 2009²
- # 2 arranger of finance for the World Bank²

Balanced portfolio - % of Core Group³



1. A clear strategy for GBM

- Clients at the heart of everything we do
- Clear product choices
- Tight risk management, capital and funding control
- New management team

2. Progress to date

- On track to deliver our 5 year strategy
- Refocusing of GBM business towards core products & clients
- Balance sheet reduced by 37% since Q308
- Implemented new suite of funding & capital management initiatives

3. Focused on the future

- Recognise lots of challenges ahead
- Deepen relationships with core customers
- Maintain market leading positions & invest in target businesses
- Rigorous & disciplined risk management & control
- Continue to improve connectivity across the RBS Group



Top 5 wholesale bank in chosen markets

- Fewer, deeper client relationships
- Clear product choices
- Global, focused on major hubs

Financing and risk management-led

- “Flow monster”
- Leadership in fixed income
- Enhanced equity and advisory

Tight risk, capital and funding control

Sustainable efficient platform

New management team

A clear strategy for GBM : Deeper client franchise



Clients

Products

Geographies

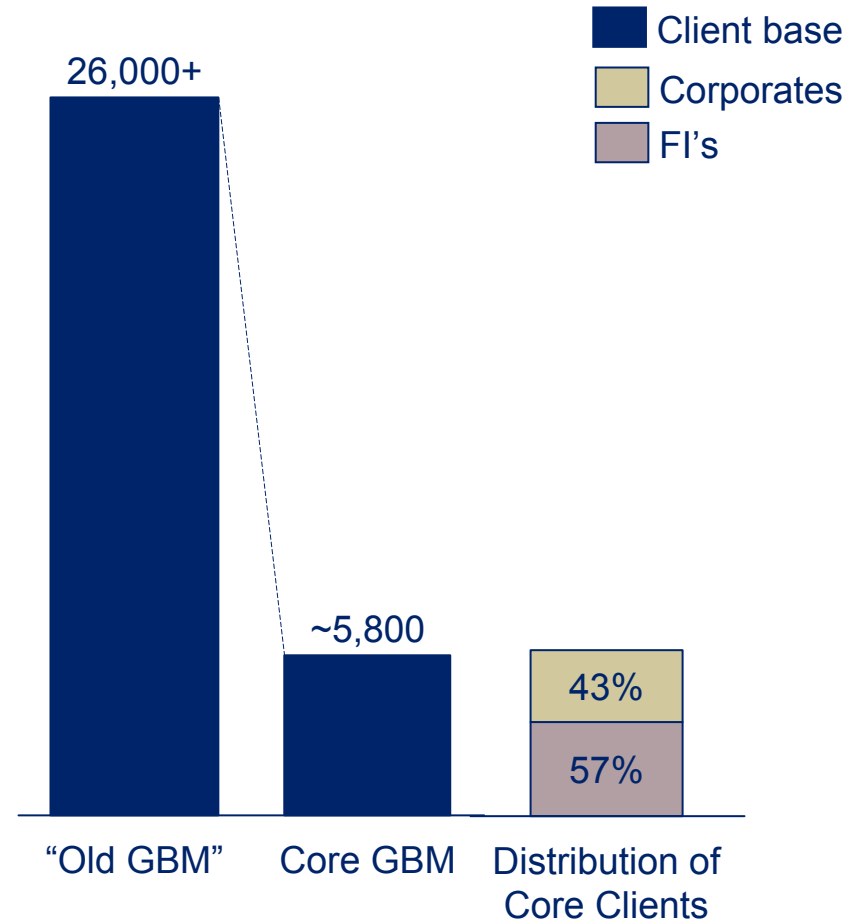
Capital, Balance Sheet & Funding

Risk Management

Technology

People

- Fewer, deeper client relationships
- Resize client base and serve global list of core issuer and investor client base with increasing focus on FI's.
 - GBM client base reduced from 26,000+ clients to ~5,800 Core clients globally
- Increase client wallet share through:
 - Targeted account management
 - Reallocating and up-skilling coverage and sales teams to increase efficiency and effectiveness of coverage





Core Markets Businesses

- Rates Trading and Risk Management
- Mortgage Trading
- Credit Trading and Risk Management
- Local Markets
- FX Trading and Risk Management
- Short Term Markets & Financing
- Equities Trading and Financing
- Structuring

Core Banking Businesses

- Investment Grade Bonds
- High Yield Bonds
- Non-Mortgage ABS
- Syndicate
- Loan Markets
- Corporate Finance Advisory
- Portfolio Management
- Coverage
- Cash Management (via GTS)
- Trade Finance (via GTS)

Non-Core (Exiting) Businesses

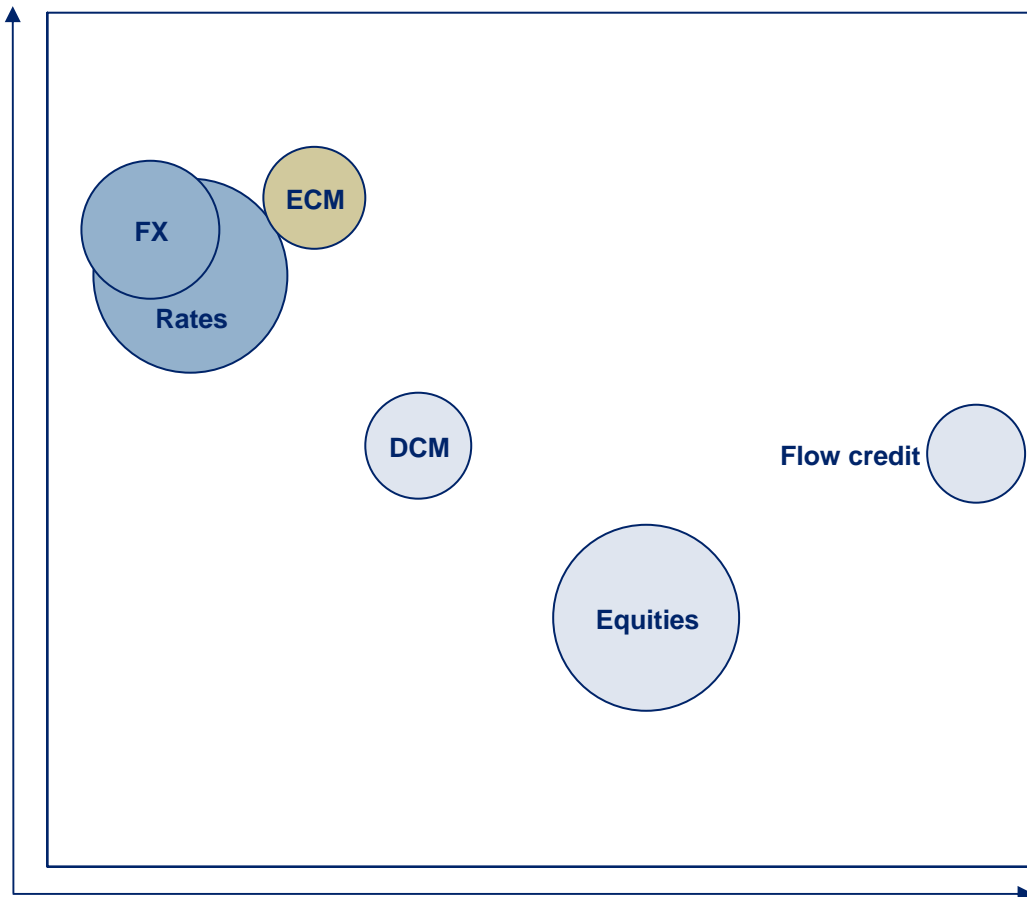
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| <ul style="list-style-type: none"> • Asset Finance • Real Estate Finance • Non-Conforming ABS Origination • RBS Sempra Commodities JV | <ul style="list-style-type: none"> • Leveraged Finance • Project Finance • Structured Credit Trading • Asset Management |
|---|---|

A clear strategy for GBM : Our product strategy aligns with our overall plan and market dynamics



Clients
Products
Geographies
Capital, Balance Sheet & Funding
Risk Management
Technology
People

Profitability



Estimated GBM rankings¹

- Top 5 (defend / grow)
- Top 10 (invest / grow)
- Top 15 (invest / grow)
- Size of market revenue pools (FY09) based on 'Normalised'² revenues

**Medium Term
Market Growth Rate
(2009 vs 2012)**
 ('Normalised'²)

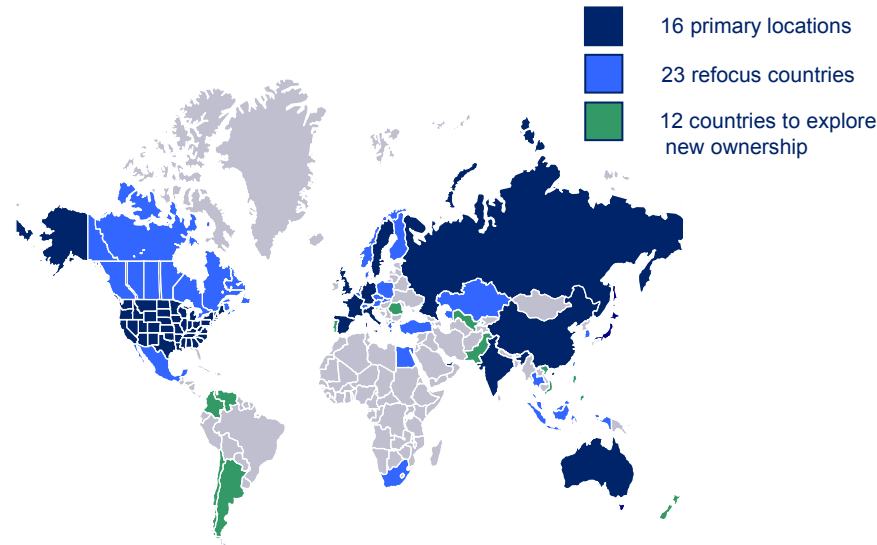
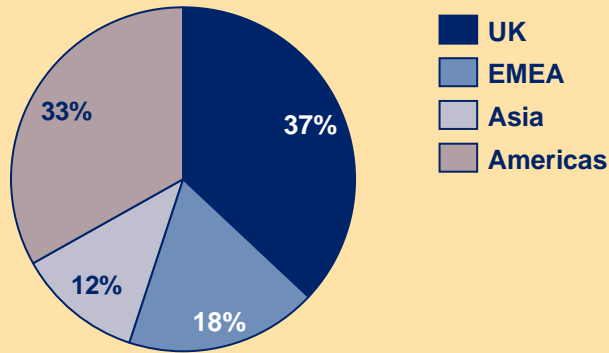
¹ FY09 Rankings: ECM, M&A and DCM rankings are based on Dealogic market share rankings; All other rankings are based on Coalition data and RBS internal estimates.

² 'Normalised' 2009 revenues exclude (i) crisis-driven high customer flows and widened margins in Rates (ii) very favourable risk environment in Rates (iii) MTM gains in Credit due to tightening spreads (iv) very favourable risk environment in Equities

A clear strategy for GBM : Rationalised global footprint



GBM revenues 2009 - Geographic breakdown



- Optimise global footprint
- Complete build out of hub and spoke model
- 91% of the Fortune Global 500 listed companies are domiciled in GBM's core locations¹
- 89% of the Forbes 2000 listed companies are domiciled in GBM's core locations¹

Percentage of Fortune Global 500 and Forbes 2000 listed companies domiciled in GBM's core locations¹

	Primary Locations	Refocus Countries	Explore new ownership
	83%	8%	1%
	70%	19%	2%

¹ Core locations = Primary Locations and Refocus Countries

Clients

Products

Geographies

Capital, Balance Sheet & Funding

Risk Management

Technology

People

Capital

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

Funding

- Introduce new funding model
 - Comprehensive suite of funding initiatives in line with regulator and auditor recommendations
 - Lower requirements for wholesale funding including less leverage, more maturity matching and more liquidity in both banking and trading books
- Actively reduce & monitor balance sheet usage, efficiency and returns
- Increase third party funding, diversifying both secured and unsecured term funding sources

Risk revolution

- Radical upgrading of Front Office Risk Management
 - Supervisory policy
 - Counterparty Exposure Management
 - Funding Policies
 - Improving risk management culture

- Revisions to risk measurement frameworks
 - Single name concentration policy; Sector Limits
 - Market Risk Limits; Move VaR to 99 percentile tail risk
 - Model enhancements (Risk not in VaR, Incremental Default Risk Charge)
 - Liquidity Management framework

- Impact assessment & development of mitigants arising from regulatory change
 - Large Exposures Directive
 - OTC Derivatives
 - Incremental Risk Charge
 - Stress VaR
 - Securitisation Risk Weightings

A clear strategy for GBM : New management team

Clients

Products

Geographies

Capital, Balance Sheet & Funding

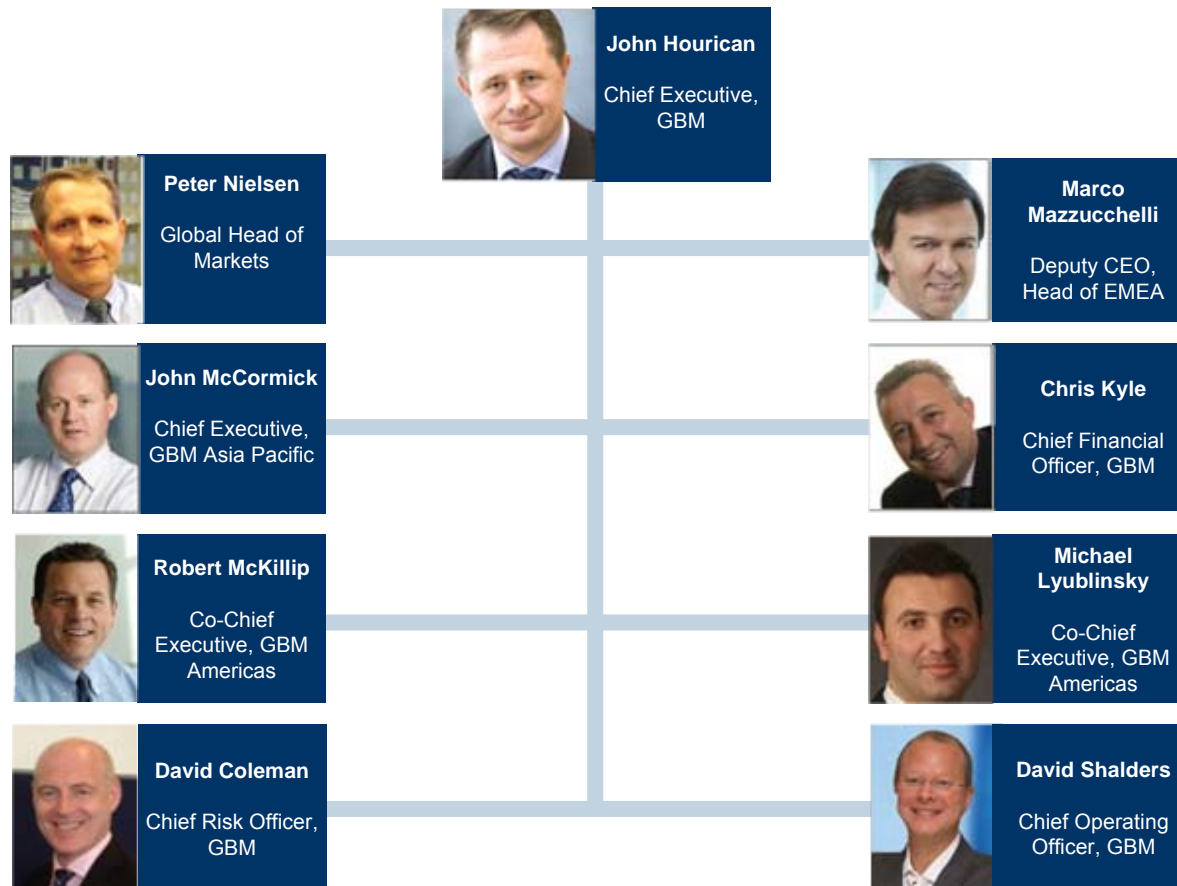
Risk Management

Technology

People

A strong blend of experience, ambition and stability

- Extensive experience in banking: 24 years average in industry
- Changes post crisis: 72% of the new management team has changed role since 2008
- New management team: 19 'Business Operating Committee' members, including...



1. A clear strategy for GBM

- Clients at the heart of everything we do
- Clear product choices
- Tight risk management, capital and funding control
- New management team

2. Progress to date

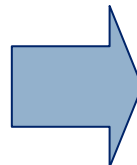
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Progress to date : GBM is a dramatically refocused business

	“Old GBM” FY07¹	Core GBM FY07²
Income	£ 9.1 bn	£ 6.7 bn
Costs	(£ 5.8 bn)	(£ 5.1 bn)
Profit	£ 3.2 bn	£ 1.5 bn
ROE	10.8%	10.4%
Balance Sheet ⁴	£ 874 bn	£ 617 bn
RWAs	£ 212 bn	£ 103 bn
People ⁵	24,100	20,900
Countries	51	51
Customers	26,000 +	26,000 +



Core GBM FY09³	
Income	£ 11.0 bn
Costs	(£ 4.7 bn)
Profit	£ 5.7 bn
ROE	30.7%
Balance Sheet ⁴	£ 412 bn
RWAs	£ 124 bn
People ⁵	16,800
Countries	39
Core customers	~5,800

¹ Core + Non Core

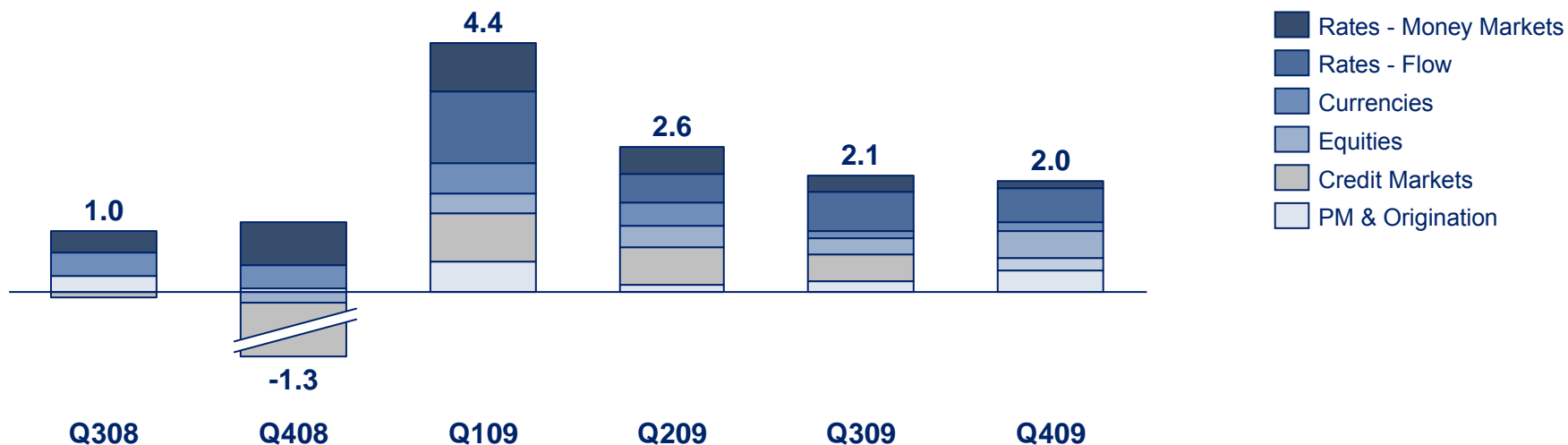
² Source: GBM Finance (Core only, excluding Sempra)

³ Source: Published FY09 financials (Core only, excluding Sempra)

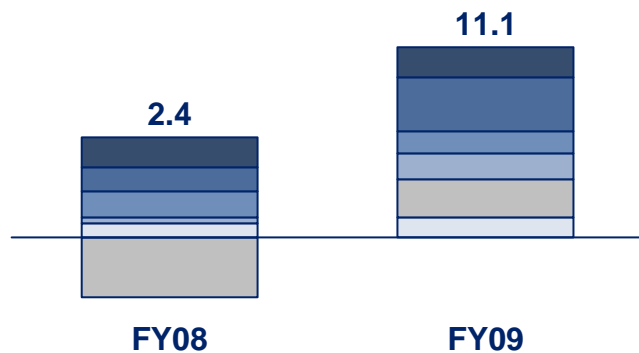
⁴ TPAs excluding Derivatives

⁵ Excludes integration staff

GBM quarterly revenues¹ by product (£bn)



GBM annual revenues¹ by product (£bn)



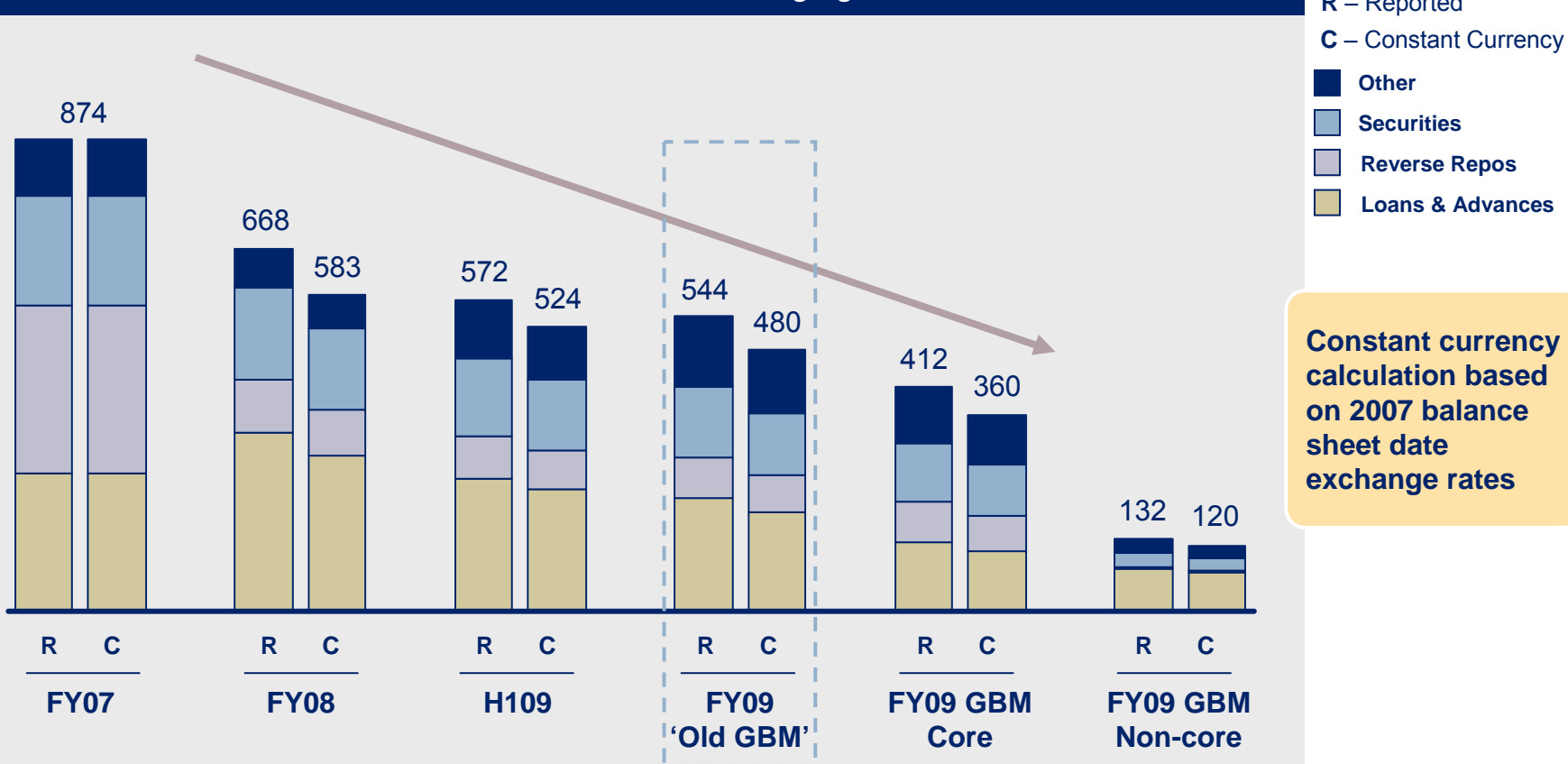
GBM revenue¹ growth by product (09 vs. 08)

Product	09 Revs £bn	Gwth vs 08 %
Rates - money markets	1.7	4%
Rates - flow	3.1	127%
Currencies	1.3	(17%)
Equities	1.5	300%
Credit markets	2.3	n.m.
PM and origination	1.2	39%

¹ GBM Core revenues, Excludes Fair Value of own debt; PM = Portfolio Management

Progress to date : Balance sheet reduced significantly

GBM balance sheet¹ – Continued focus on de-leveraging, £bn

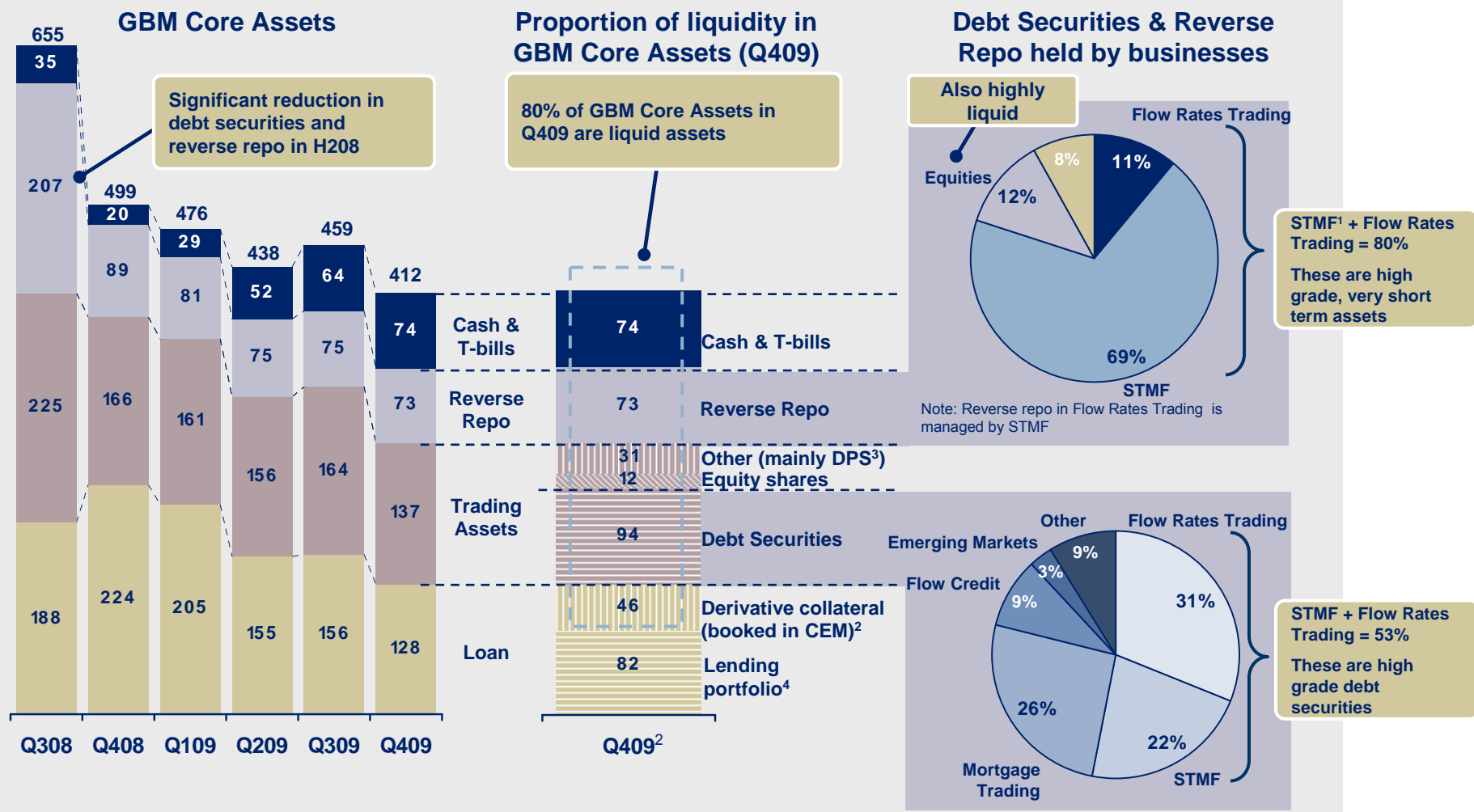


¹ TPAs excluding Derivatives

Progress to date : Improved balance sheet liquidity



Clients | Products | Geographies | **Capital, Balance Sheet & Funding** | Risk Management | Technology | People



¹ Short Term Markets and Financing ("STMF") includes repo financing and Money Markets.

² Cash collateral posted in relation to derivative liabilities across GBM.

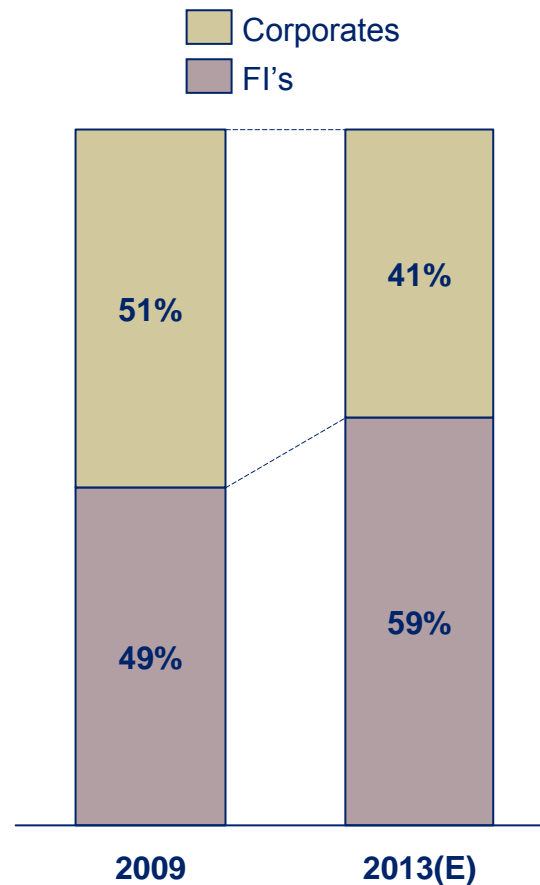
³ Deals pending settlement

⁴ Lending portfolio also includes a proportion of assets that could be liquidated swiftly, prices depend on market conditions.



- Share of Core Client wallet increased globally¹
 - Corporates: from 3% to 5%
 - FI's: from 2% to 3%
- Tighter partnership between Sales and Coverage in account planning to maximise client value
- Enhanced tools to increase efficiency and effectiveness
- Increased penetration of e-Commerce platforms notably in FX and bond trading

**Planned net revenue mix migration
Client Revenues: 2009-2013**



Client Rankings ²				
GREENWICH ASSOCIATES	UK	Europe	US	APAC
Total Relationships	#1	#3	#6	#7
Important Relationships	#1	#3	#5	=7
Lead Relationships	#1	#4	#6	=7

¹ Based on Origination products; Source: Dealogic and Internal RBS estimates; ² Greenwich Associates H209 data (Large Corporate Banking study)



Markets



Best Structured Product House (Euromoney Jul 09)



Interest Rate Derivatives Provider of the Year, Europe (Global Finance Nov 09)



No 1 Currency Options Overall (Risk Institutional Investor Jun 09)

No 1 GBP Overall Delta Trading (Total Derivatives Fixed Income Dealer Survey Aug 09)



Financial Risk Management News and Analysis

No 1 Currency Overall - USD/GBP (Risk Interdealer Sep 09)

No 2 Currency Forwards (Risk Interdealer Sep 09)

No 2 Interest Rate Overall - GBP (Risk Interdealer Sep 09)

No 2 Cross Currency Swaps: EUR/GBP, USD/GBP (Risk Interdealer Sep 09)



Best Trading Back Office Project (The Banker Jun 09)

Banking



Underwritten 543 bonds globally, 12.6% of issues in 2009

5th largest arranger of syndicated loans outside US in 2009



Most Innovative Bank - Loans (The Banker Oct 09)



THE NEWSPAPER OF THE GLOBAL CAPITAL MARKETS

Most Impressive Bank for FIG Issuers in Sterling (Euroweek May 09)



Sterling Bond House of the Year (IFR awards Dec 09)



Led 6 of the 10 largest debt capital market transactions

Supported clients in the 5 largest equity issues worldwide

No 7 on the Global 'All Debt' League Tables

4 for all bond issuance in the EMEA in 2009

1 for EMEA Corporate IG bonds in 2009

In the Sterling market, # 1 for all bond issuance in 2009

Largest bookrunner for the UK Debt Management Office in 2009

A fundamental shift to a lower risk model, aligned to GBM client priorities and fully leveraging cross sell opportunities to drive improved market rankings

2009 Exceeded targets

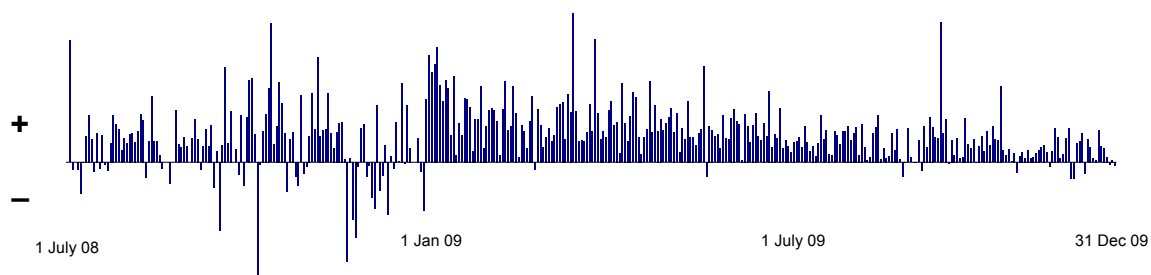
- £1.5bn record revenues
- Costs managed down 5% in year
- Balance Sheet down 13% in year
- Market Risk VaR managed down
- Cross-sell into GBM Clients increased strongly
- #3 Overall Global Equity Synthetic Provider (*ISF*)
- #4 UK Cash Equities UK Clients (*McLagan*)
- Best Global Structured Product House, *Euromoney Awards for Excellence*
- 'Deal of the Year' *The Treasurer*; 'Best Secondary Offering' & 'Most Innovative Deal' *FinanceAsia awards*

Targeted Growth Plan

- Key hires identified and on-boarding in progress
- Connectivity across RBS Group to unlock Retail and Wholesale opportunities
- Productivity improvements from shift to large cap coverage & greater electronification
- 85 initiatives in execution with delivery from 2H 2010

Risk

- Radical upgrading of front office risk management frameworks
- Moved VaR to 99 percentile tail risk
- Created a market leading Counterparty Exposure Management business
- GBM's daily profitability improved considerably in 2009



	Profit days (#)	Loss days (#)	Total	Profit days (%)	Loss days (%)
H2 08	94	38	132	71%	29%
H1 09	123	2	125	98%	2%
H2 09	115	14	129	89%	11%

North Star

A 2-year, £550m+ front-to back infrastructure investment programme

Objectives

- 1 Industrialise GBM's F2B infrastructure
- 2 Manage and prioritise business growth investment
- 3 Improve the control environment
- 4 40% reduction in the 2008 Support cost base

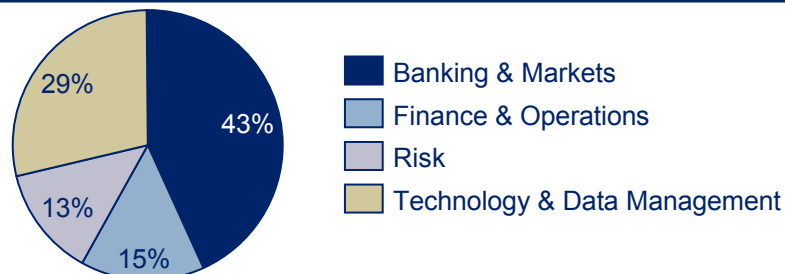


Strategic Outcomes

1. Balance Sheet **Tight control and efficient deployment of Balance Sheet resources**
2. RWA **Accurate measurement and efficient management of RWA**
3. Liquidity & Funding **Improved management of daily liquidity and funding position**
4. Clients & Revenue **Client and revenue strategy enablement**
5. Operating Cost **Step change in efficiency and a restructured (reduced and redeployed) cost base**
6. Foundation **Validated golden sources of transaction and reference data**



Investment



Clients

Products

Geographies

Capital, Balance Sheet & Funding

Risk Management

Technology

People

New people programme

- Attracting and retaining talent is integral to the success of GBM:
 - Comprehensive organizational changes implemented in 2009
 - Continued to hire through Q4 2009 and Q1 2010
 - Overall strategy and near-term objectives have been made transparent
 - Existing talent pool is high calibre
 - Ongoing investment in graduate programme
- Remuneration reform
 - Our policies on claw-back and deferral of bonuses, announced in February 2009, went further than other banks and further than the subsequent G20 proposals
 - Claw-back and deferral covering 2009 and future agreements
 - Competitive pay in 2009 / 2010

▶ GBM captured industry buoyancy despite massive restructuring

▶ Arms around the Problems

- discovery, disclosure, mitigate – no more surprises

▶ RBS's essential source of value sustained and intact

- All core businesses functioning “normally”, customer franchises resilient

▶ Roadmap to Recovery

- Clear strategy, detailed roadmap, supported inside and out

▶ Tools to do the Job

- Comprehensive Management and Board change
- Recapitalisation anticipating future needs
- Near-term contingency protection from APS / Contingent Capital

▶ GBM on track to deliver our 5 year strategy

- Core business turnaround and improvement plans all well underway
- Overall risk reduction and Non-Core run-off ahead of plan

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Enduring customer franchises

- A universal bank, anchored by retail and commercial activities with strong, complementary investment banking capability
- In the top 5 peer group in our chosen markets
- Customer franchises reinvigorated by investment and better management – complementing and enhancing each other

Safer and more focused

- Businesses growing by building on what we already do well, not over-reaching into new markets and businesses
- Profit earned by servicing our customers not by trading our own capital
- Risk management processes overhauled
- Only lending as much as we have in deposits
- Capital and liquidity strength meeting the highest international standards
- Gross reduction in funded assets of £500bn achieved

A valuable, private sector bank

- Consistently profitable, with sustainable shareholder returns targeted at 15% on our equity capital
- 'Standalone strength' regained, no longer needing Government support
- The Government will have sold or at least begun to sell its shares at a profit
- A leader in transparency and 'investor friendly' orientation

Focused on the future : Targets we have affirmed & updated

Measure	Worst point	2009	2013 Target
Value Drivers	<u>Group</u>	<u>Core</u>	<u>Core</u>
Return on Equity (RoE)	(31%) ^{1,2}	13% ³	>15% ³
Cost/income net of claims (C:I)	97% ²	53%	<50%
Risk Measures	<u>Group</u>	<u>Group</u>	<u>Group</u>
Core Tier 1 capital ratio	4% ⁴	11.0%	>8%
Loan:deposit ratio (LDR)	154% ⁵	135%	c.100%
Wholesale funding inc bank deposits ⁶	£343bn ⁷	£250bn	<£150bn
Liquidity reserves ⁸	£90bn ⁷	£171bn	c.£150bn
Leverage ratio ⁹	28.7x ¹⁰	17.0x	<20x
Divisions – 2013 targets	<u>GBM</u>	<u>R&C</u>	<u>Non-Core</u>
Return on Equity (RoE)	15-20%	>20%	Balance Sheet
Cost:income net of claims (C:I)	c55%	c45%	- c. £20-40bn
Loan:deposit ratio (LDR)	n.a.	<90%	APS exited

¹ Group return on Tangible Equity. ² 2008 ³ Indicative Core attributable profit, taxed at 28% on attributable Core spot tangible equity (c. 70% of Group tangible equity based on RWAs). ⁴ As at 1 January 2008 ⁵ As at October 2008 ⁶ Amount of unsecured wholesale funding under 1 year (£bn) of which bank deposits are currently £109bn, target £65bn, other unsecured wholesale funding currently £141bn, target £85bn ⁷ As at December 2008 ⁸ Eligible assets held for contingent liquidity purposes including cash, Govt issued securities and other securities eligible with central banks ⁹ Funded tangible assets divided by T1 capital ¹⁰ As at June 2008

Banking is a mature, consolidated/consolidating industry

- Able to adjust to rebuild sustainable fair returns on capital provided through efficiencies and margin rebuild

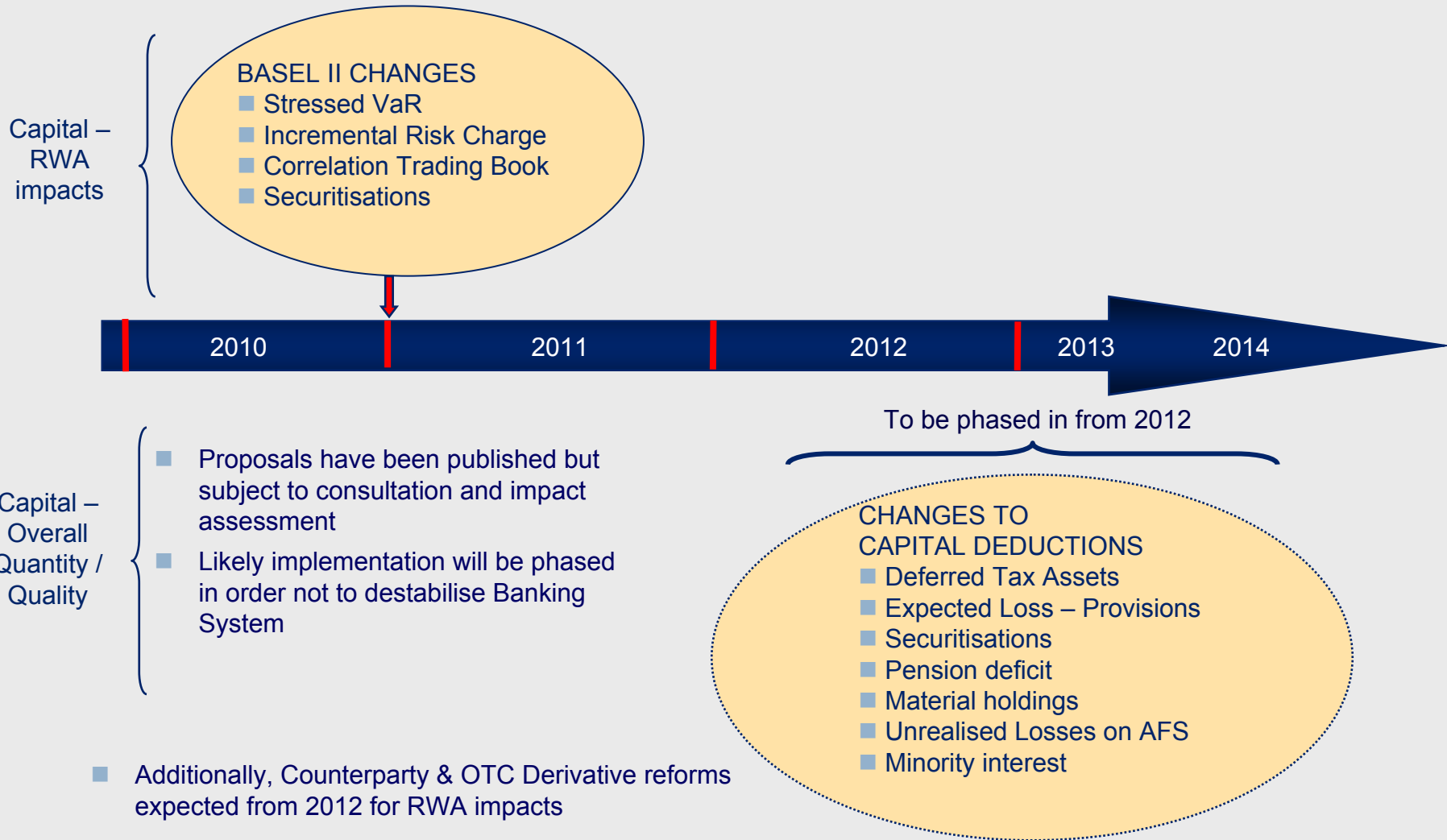
Thrust of regulatory change is appropriate and considered

- Key 2010 issue is “calibration” and “timetable”. Absent some “give” on both, negative consequences to economic growth and industry returns

Key medium term issue is reform to remove implicit state subsidy in times of systemic crisis.

- Will take years. Solution not in individual size or shape. Needs combination of safer banks (more capital, safer funding, better risk management), and transparent, predictable crisis resolution mechanisms (loss hierarchy, “Chapter 11” for Banks)

Significant proportion of potential impact will be on Non-Core portfolios



Focus

- Continue to rebuild and deepen relationships with core customers
- Defend market leading positions
- Continue to manage risk tightly, taking into account new regulatory threats
- Deliver improved processing platforms
- Continue to improve connectivity with other divisions
- Restore pride in our people

Challenges

- Global economic conditions are fragile
 - Wholesale funding costs
 - Weakened economies
 - Low trading spreads & volatility
 - Sterling depreciation
- Changing regulatory and accounting frameworks
 - Capital management
 - Structure of banking system
 - Supervisory process / governance
 - Accounting / liquidity
- Staff
 - Rebuild staff morale
 - Retention & recruitment of talented staff

- 2009 was an exceptional year and a solid foundation for 2010

- Strategy is clear and we are on track to deliver our 5 year strategy
 - Clear risk reduction
 - Clear balance sheet reduction
 - Highly liquid assets
 - Driving efficiency
 - Investing heavily

- Challenges ahead
 - Economic
 - Regulatory
 - People

- Focus now on implementation and execution

Markets businesses

Banking businesses

Derivative trading assets

Non-Derivative trading book assets

Reverse repos

Debt securities

Credit portfolio by credit grade

Group connectivity

Markets



Businesses:

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

Banking

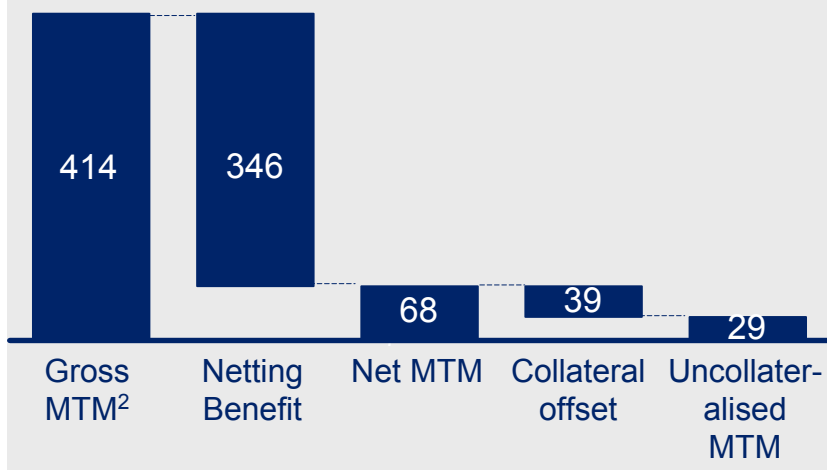


Businesses:

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

GBM : Derivative trading assets¹

Derivatives – Majority is flow product in liquid markets; £bn



Asset (Gross MTM)	£bn		% Chg
	FY09	FY08	
Interest rate	323	641	(50%)
Currency	65	159	(59%)
Credit derivatives	21	85	(75%)
Equity	5	10	(50%)
GBM Total³	414	895	(54%)

Uncollateralised Derivative Portfolio	FY09 £bn	FY08 £bn	% Chg
Government	2.2	8	(75%)
Investment Grade	15.0	48	(69%)
Monolines & CDPCs	-	17	(100%)
Non-Investment Grade	11.9	23	(48%)
Total	29.1	96	(70%)

70% decline in position driven by

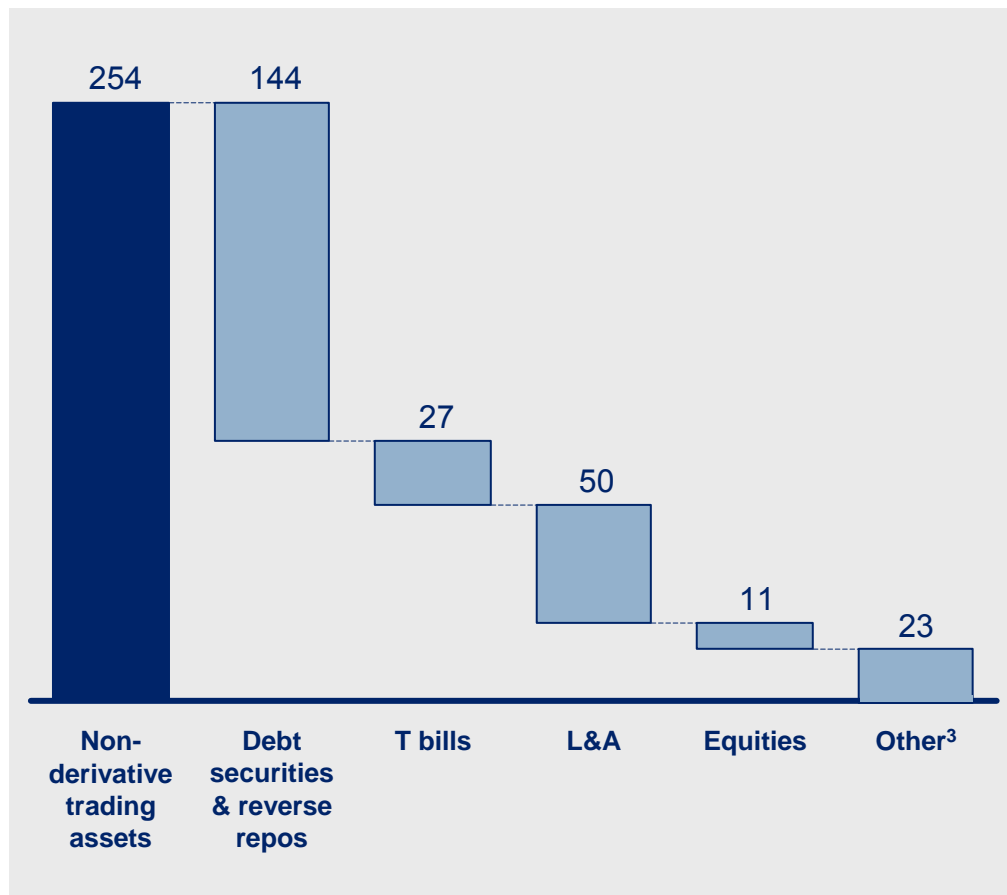
- Market parameters; i.e. interest rates/credit spreads
- FX related
- Increased netting benefits
- Counterparty contract close-outs

¹ Excludes Non-Core Credit Derivatives of £19bn

² Gross MTM is the MTM post LCH Netting, Net MTM is the MTM post legal netting applied in RBS GBM credit management systems

³ Non GBM including Sempra Commodity derivatives (£12bn) excluded

£bn

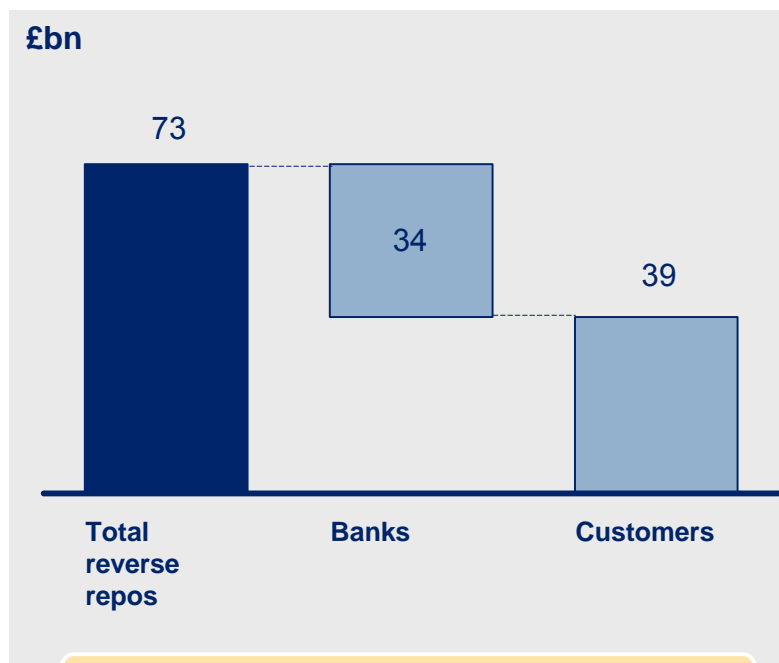


Asset	FY09 £bn	FY08 £bn	% change
Debt securities	74.2	94.2	(21%)
Reverse repos ¹	69.5	90.1	(23%)
T Bills	26.5	16.0	66%
Loans & advances	50.3	54.8	(8%)
Equities	10.7	10.8	(1%)
Other	22.7	25.3	(10%)
GBM Core ²	253.9	291.3	(13%)

¹ Trading book reverse repos

² Excludes Non-Core portfolio of £32.5bn

³ Mainly comprises of DPS (deals pending settlement)



Only 4% of portfolio (£2.9bn) in Non-Core

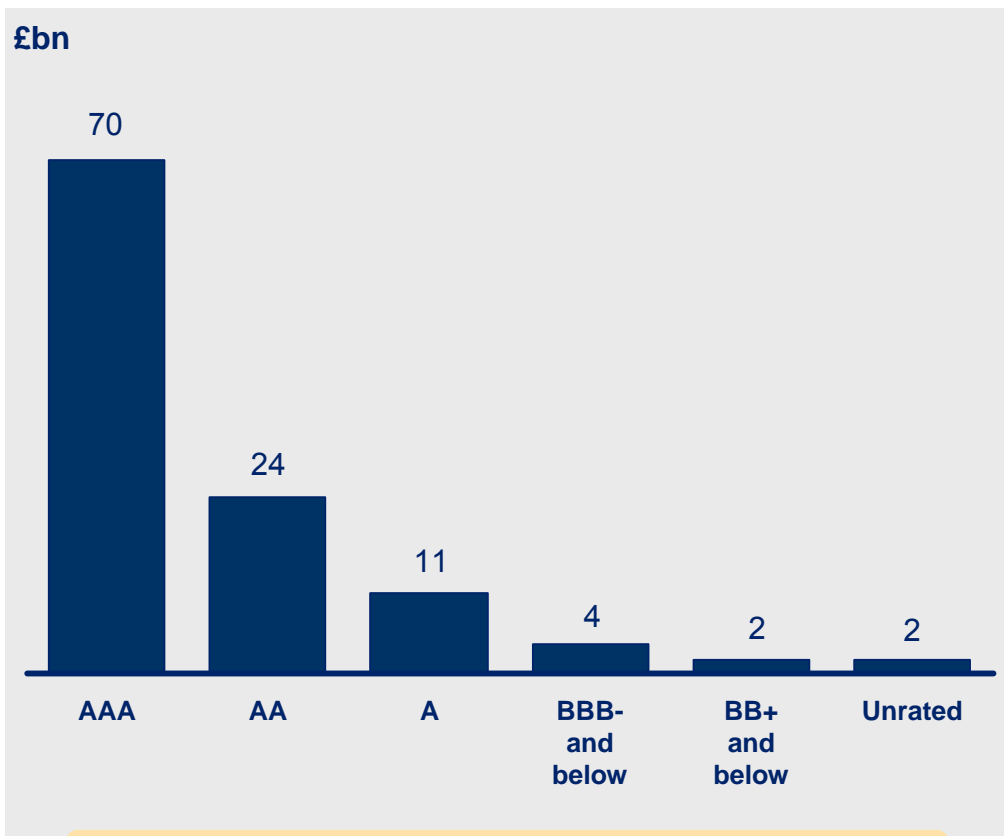
Exposure by counterparty	FY09 £bn	FY08 £bn	% change
Reverse repos – Banks	34	57	(40%)
Reverse repos – Customers	39	32	22%
Total	73.3	88.8	(18%)

Maturity profile	% of total MTM	
	FY09	FY08
< 3 months	91.7	82.6
< 6 months	3.9	12.1
< 1 year	4.4	4.4
> 1 year	0.0	0.8
Total	100	100

Collateral quality distribution	FY09 %	FY08 %
Government	85.9	89.3
Corporates	10.7	7.2
Other	3.4	3.5
Total	100.0	100.0

¹ Including assets transferred to non-core. Banking and trading book repos.

Note: Collateral quality distribution and tenor distribution are calculated based on gross reverse repos



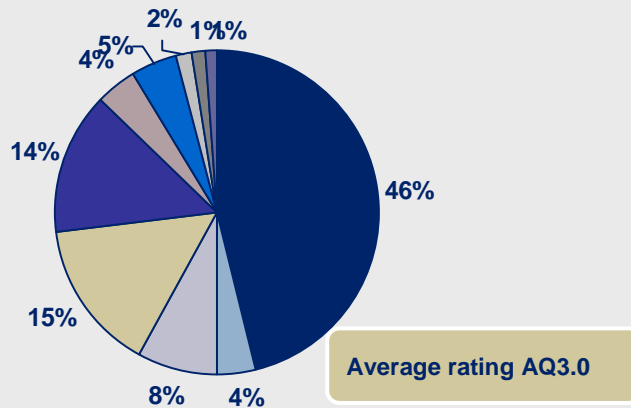
Asset	FY09 £bn
Central & Local Government	41.9
Mortgage & asset-backed securities	30.6
Treasury & other bills	28.3
Banks & Building Society	7.2
Corporate (inc Financials)	5
Debt Securities total	113

- Majority of non-related linked to exposures in ABS, Fund derivatives and Corporates
- Excess liquidity invested in Treasury and Other Bills

¹ Core debt securities – banking book & trading book, excludes £13.5bn of unanalysed securities
 GBM debt securities total consists of £32.5bn T Bills included in Cash & T-Bills and £94bn Debt Securities on summary slide 17

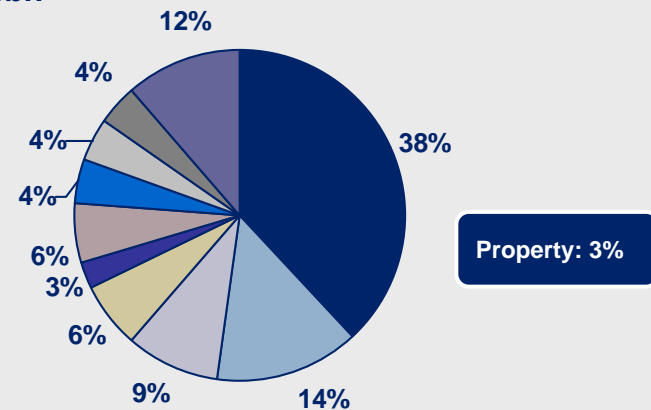
GBM – Credit grade exposures¹

Core

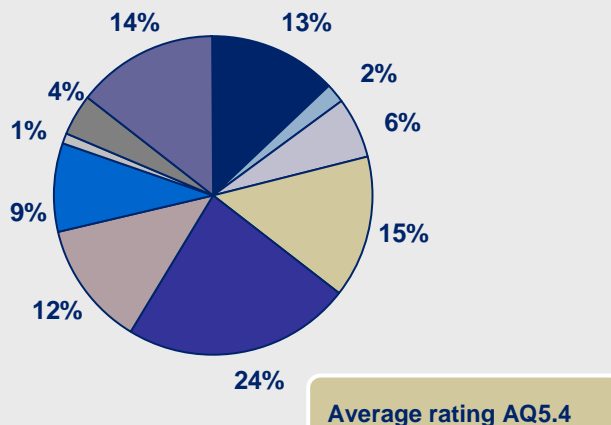


GBM – Sector exposures¹

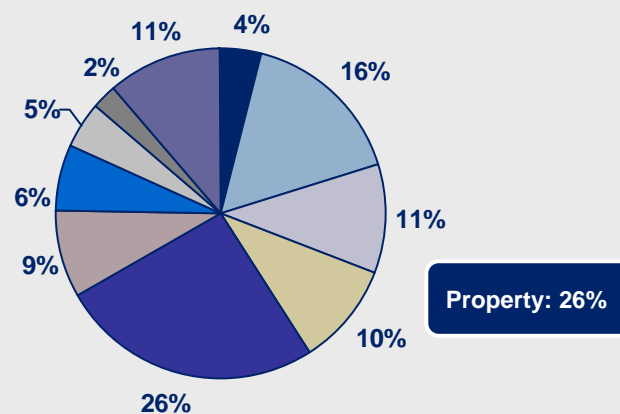
Core £224.4bn



Non Core



Non Core £87.7bn



■ AQ1 ■ AQ2 ■ AQ3 ■ AQ4 ■ AQ5 ■ AQ6 ■ AQ7 ■ AQ8 ■ AQ9 ■ AQ10

■ Banks and Building Societies ■ Financial Intermediaries
 ■ Manufacturing ■ Transport and Storage
 ■ Property ■ TMT
 ■ Power, Water & Waste ■ Natural Resources and Nuclear
 ■ Public Sectors ■ Other

¹ Exposures are defined as credit risk assets consisting of loans and advances (including overdraft facilities), installment credit, finance lease receivables and other traded instruments across all customer types.

