



The Royal Bank of Scotland Group

delivering on
our promises

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The Royal Bank of Scotland Group

Sir George Mathewson
Executive Deputy Chairman

19 April 2000

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May	RBS summary results 6 months to 31 March 2000
August	Enlarged RBS Group results Period to 30 June 2000
February	Enlarged RBS Group results Period to 31 December 2000



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May	RBS summary results 6 months to 31 March 2000
August	Enlarged RBS Group results Period to 30 June 2000 Progress report
October	Divisional presentation
November	Divisional presentation
February	Enlarged RBS Group results Period to 31 December 2000 Progress Report

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1999 Profit & Loss Accounts

	RBSG	Barclays	Lloyds	
HSBC				
£bn	Proforma		TSB	
Net interest income	5.2	4.6	4.8	7.4
Non-interest income	5.9	3.7	3.2	5.9
Total income	11.1	8.3	8.0	13.3
Expenses	6.8	4.8	3.4	7.0
Insurance claims	0.6	-	0.2	-
Profit before bad debts	3.7	3.5	4.4	6.3
Bad debts	0.5	0.6	0.6	1.4
Profit before tax	3.2	2.9	3.8	4.9

Market Capitalisation **23.9** **24.2** **34.2** **59.8**

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RBSG Proforma based on RBSG Report & Accounts for year to September 1999, NatWest Ongoing Business Profit & Loss Account for year to December 1999 and annualised funding costs of transaction from Prospectus Supplement dated 31 January 2000



**The Royal Bank of
Scotland Group**

**Sir George Mathewson
Executive Deputy Chairman**

19 April 2000

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The Royal Bank of Scotland Group

Fred Goodwin
Group Chief Executive

19 April 2000

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Clear Business Plan

Days 1 - 30

- Application of new Group architecture
 - Clustering of business units
 - Creation of separate “manufacturing” division
 - Creation of single treasury function
 - Combination of head office functions
- Confirmation of all key appointments and responsibilities
 - Make new appointments
 - Redeploy or remove surplus management
- Alignment of internal control structure
 - Delegated authorities
 - Credit authorities
 - Board reporting
- Finalisation of detailed 3 year operating plans for all units
 - Base case
 - Action plans
- Alignment of bonuses and incentives to budgets

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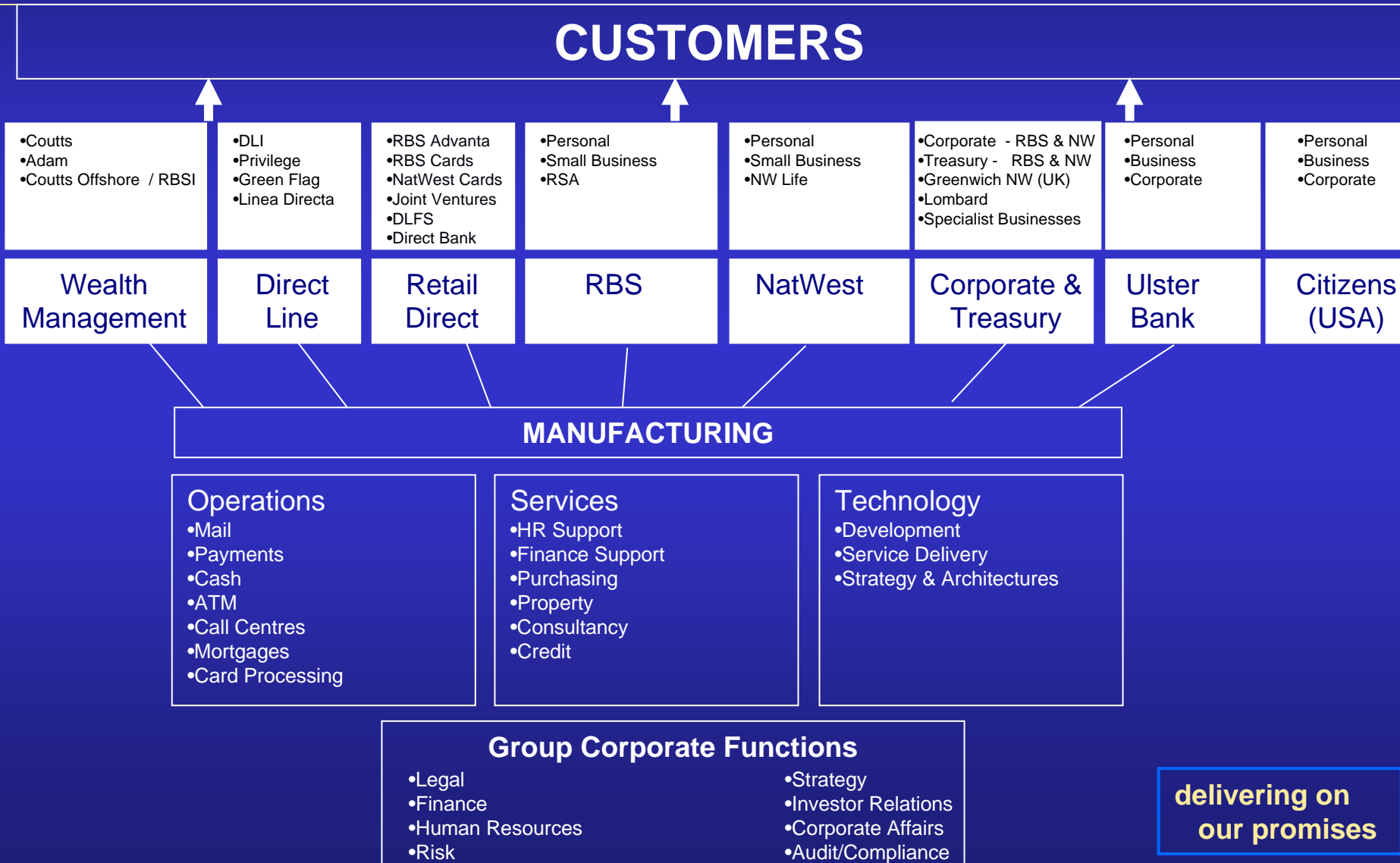
Clear Business Plan

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Clear Business Plan

Business Architecture



Retention or Disposal?

- Gartmore
- NatWest Equity Partners
- Greenwich NatWest UK
- Greenwich NatWest US
- Ulster Bank

Retention or Disposal?

- Gartmore

Retention or Disposal?

- Gartmore
- **NatWest Equity Partners**

Retention or Disposal?

- Gartmore
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Retention or Disposal?

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- **Ulster Bank**

Clear Business Plan

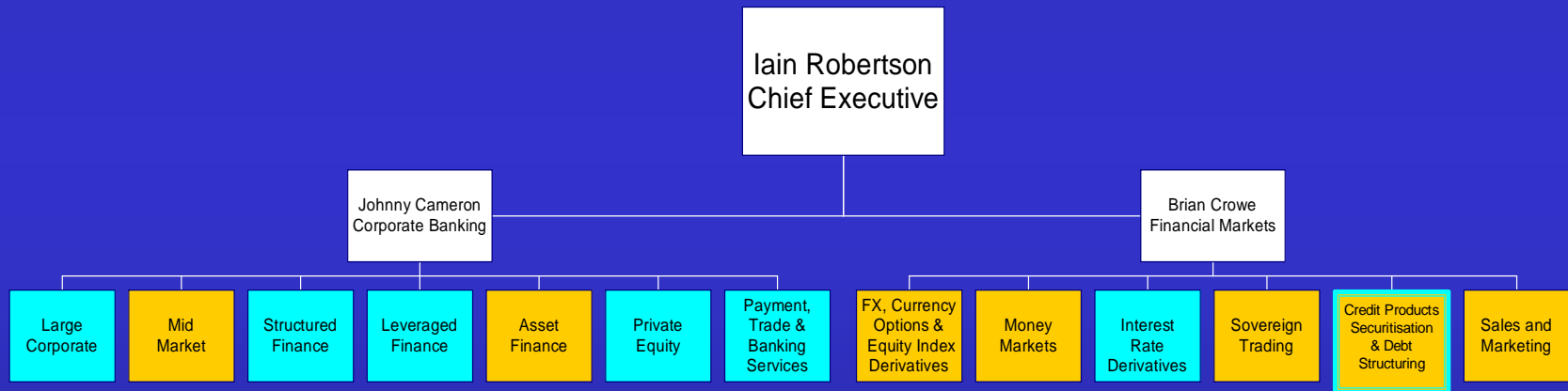
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 - **Make new appointments**
 - **Redeploy or remove surplus management**

Corporate Banking & Financial Markets

Iain Robertson	Chief Executive, Corporate Banking & Financial Markets
Johnny Cameron	Deputy Chief Executive, Corporate Banking & Financial Markets
Brian Crowe	Group Treasurer & Managing Director, Financial Markets
Stephan Harris	Deputy Treasurer, Financial Markets

Corporate Banking & Financial Markets



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Retail Banking

Gordon Pell

Chief Executive, Retail Banking

Benny Higgins

Deputy Chief Executive, Retail Banking

Manufacturing

Mark Fisher

Chief Executive, Manufacturing

Peter Hayes

Director, Manufacturing Support

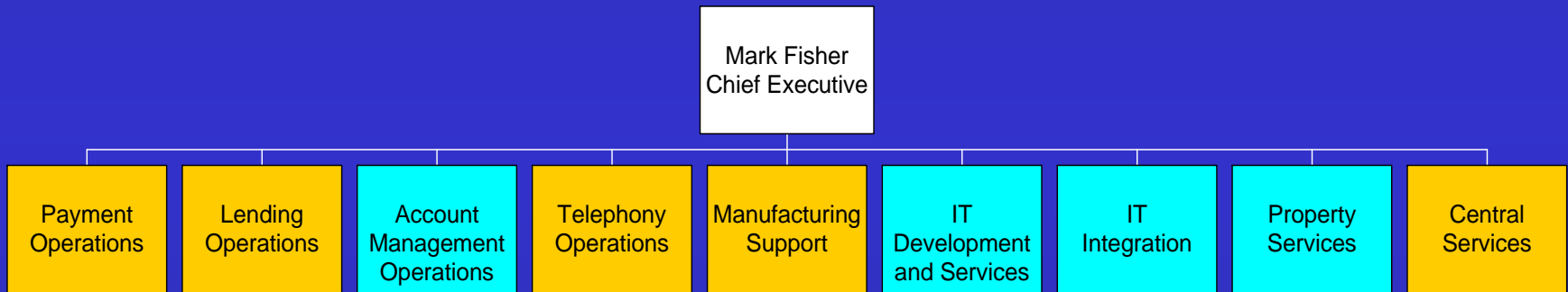
Martin Webb

Director, IT Development and Services

John White

Director, IT Integration

Manufacturing



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Other Divisions

Norman McLuskie

Chief Executive, Retail Direct

Cameron McPhail

Chief Executive, Wealth Management

Ian Chippendale

Chief Executive, Direct Line

Martin Wilson

Chief Executive, Ulster Bank

Larry Fish

Chairman, President & Chief Executive Officer, Citizens Financial Group

Group Finance

Grahame Whitehead

Group Chief Financial Officer

Bill Martin

Head of Group Risk

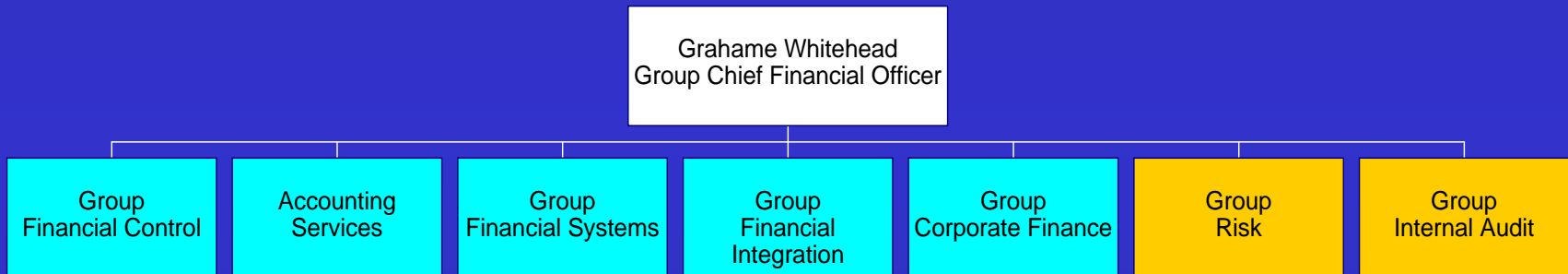
Richard Gossage

Head of Group Internal Audit

Finlay Williamson

Head of Group Corporate Finance
& acting Head of Investor Relations

Group Finance



Other Central Functions

Miller McLean

Group Director, Legal &
Regulatory Affairs & Group Secretary

Iain Allan

Group Director, Strategy

Howard Moody

Group Director, Communications

Neil Roden

Group Director, Human Resources

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 - **Action plans**

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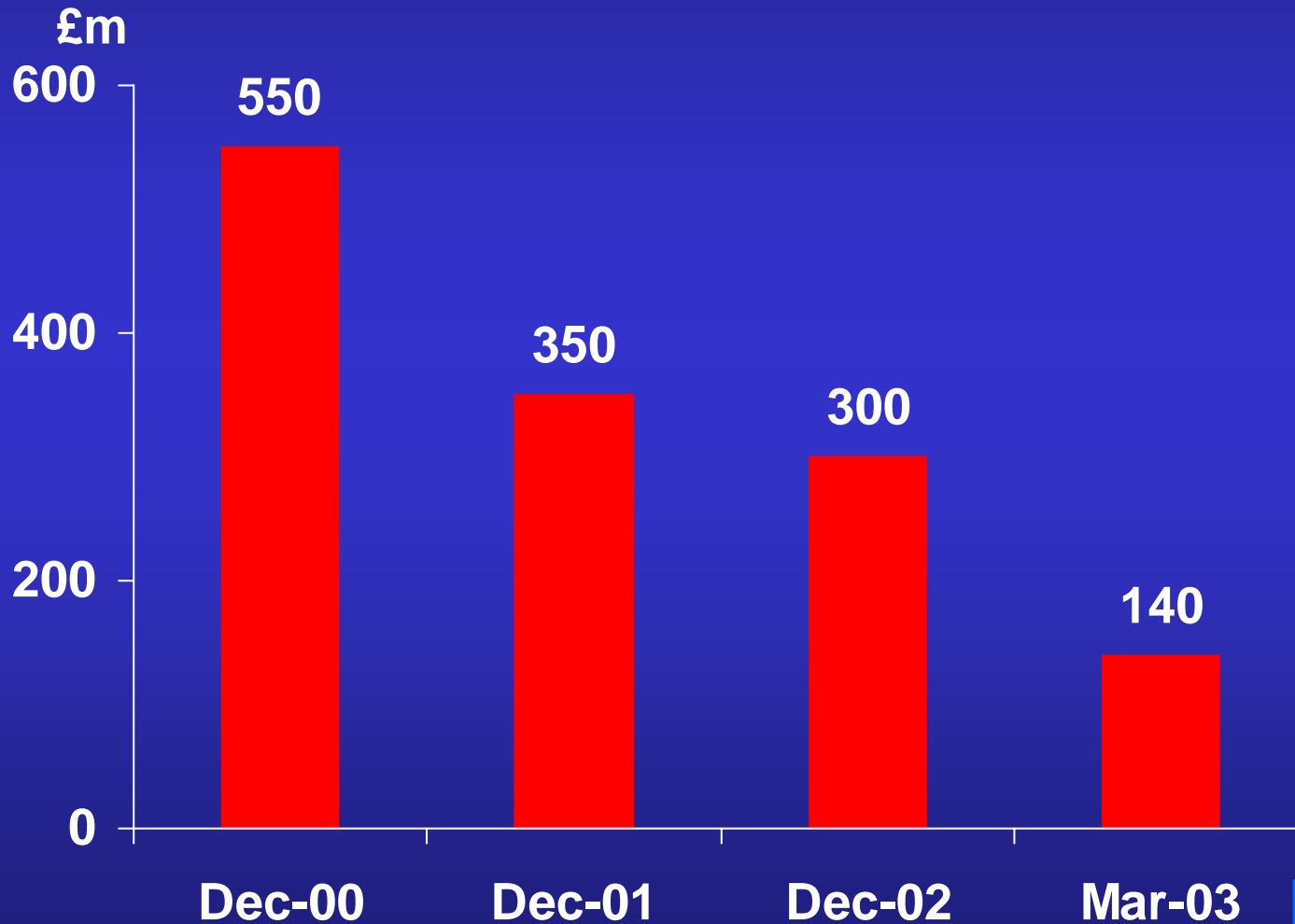
Action Plans - Cost Savings

	Annualised Cost Savings £m	Number of Initiatives
Bid document	1,180	111
Improved initiatives	140	-
Reduced initiatives	(150)	-
Initiatives removed	(70)	(14)
New initiatives	120	24
Total	1,220	121
Inflation	120	-
Total plus inflation	1,340	121

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Cost Savings

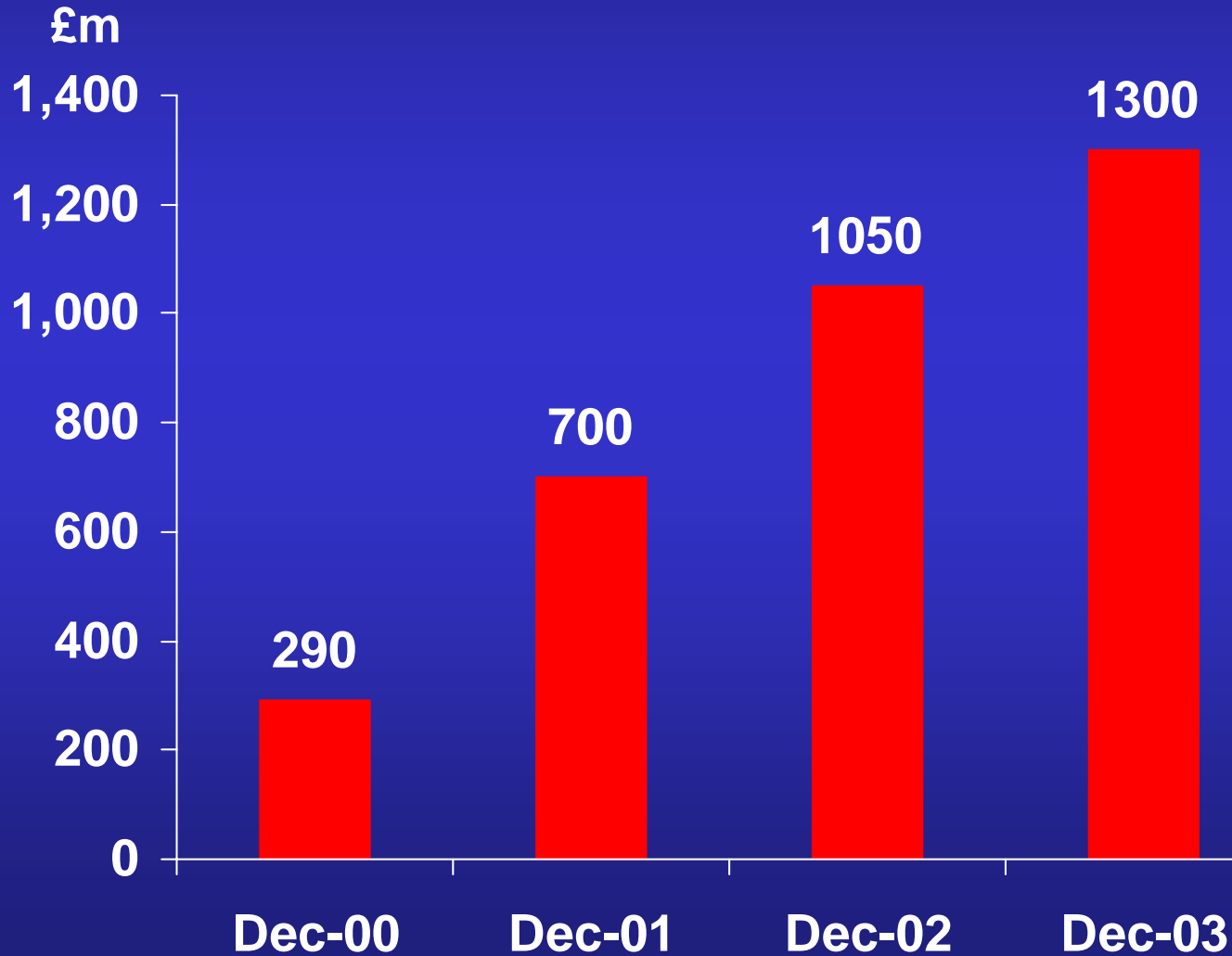
Annualised amount implemented in each period



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Cost Savings

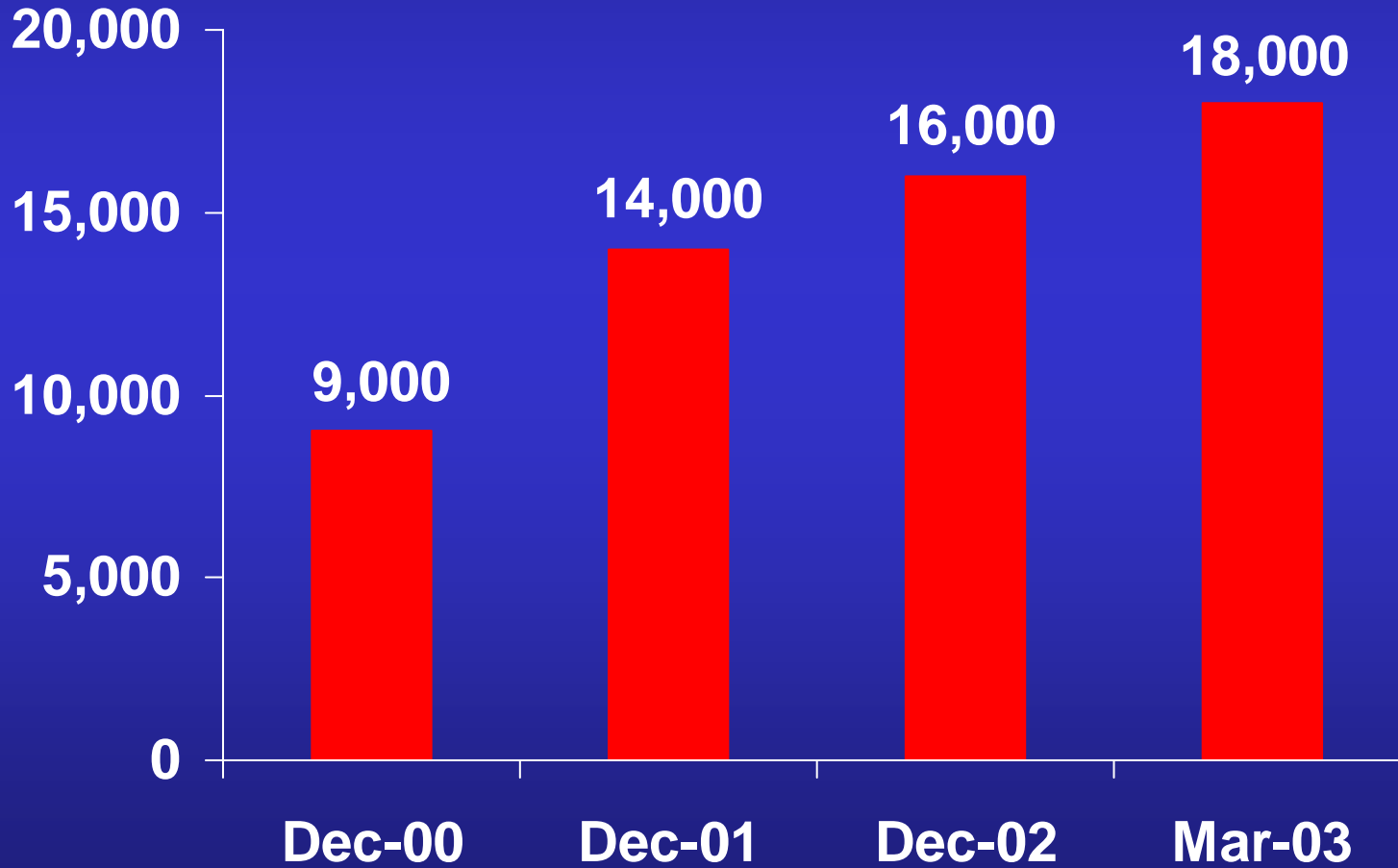
Impact on Profit Before Tax



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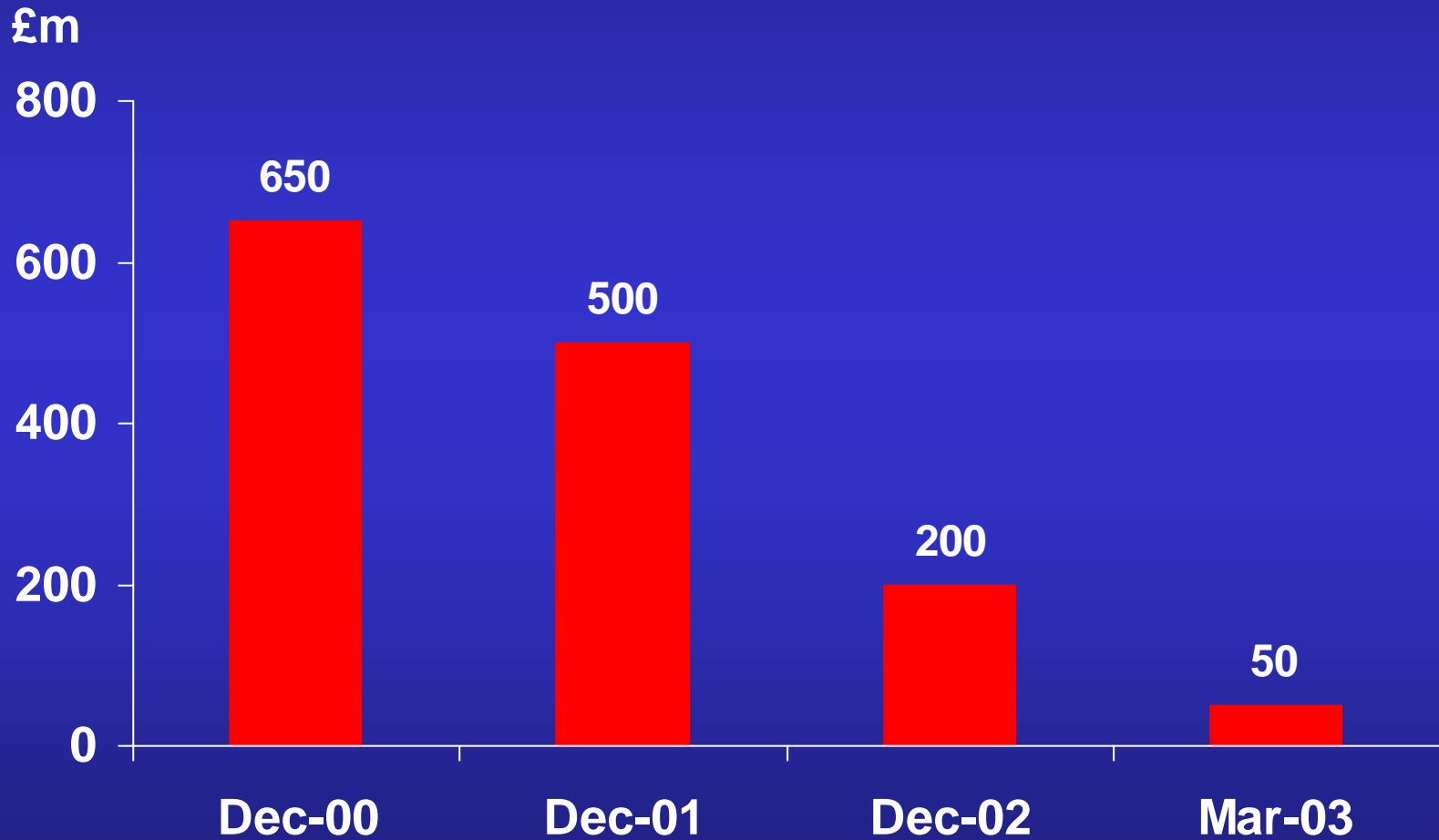
Staff Reductions

Cumulative total



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Integration Costs



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Action Plans - Cost Savings

	Annualised Cost Savings £m	Number of Initiatives
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Improved initiatives	140	-
Reduced initiatives	(150)	-
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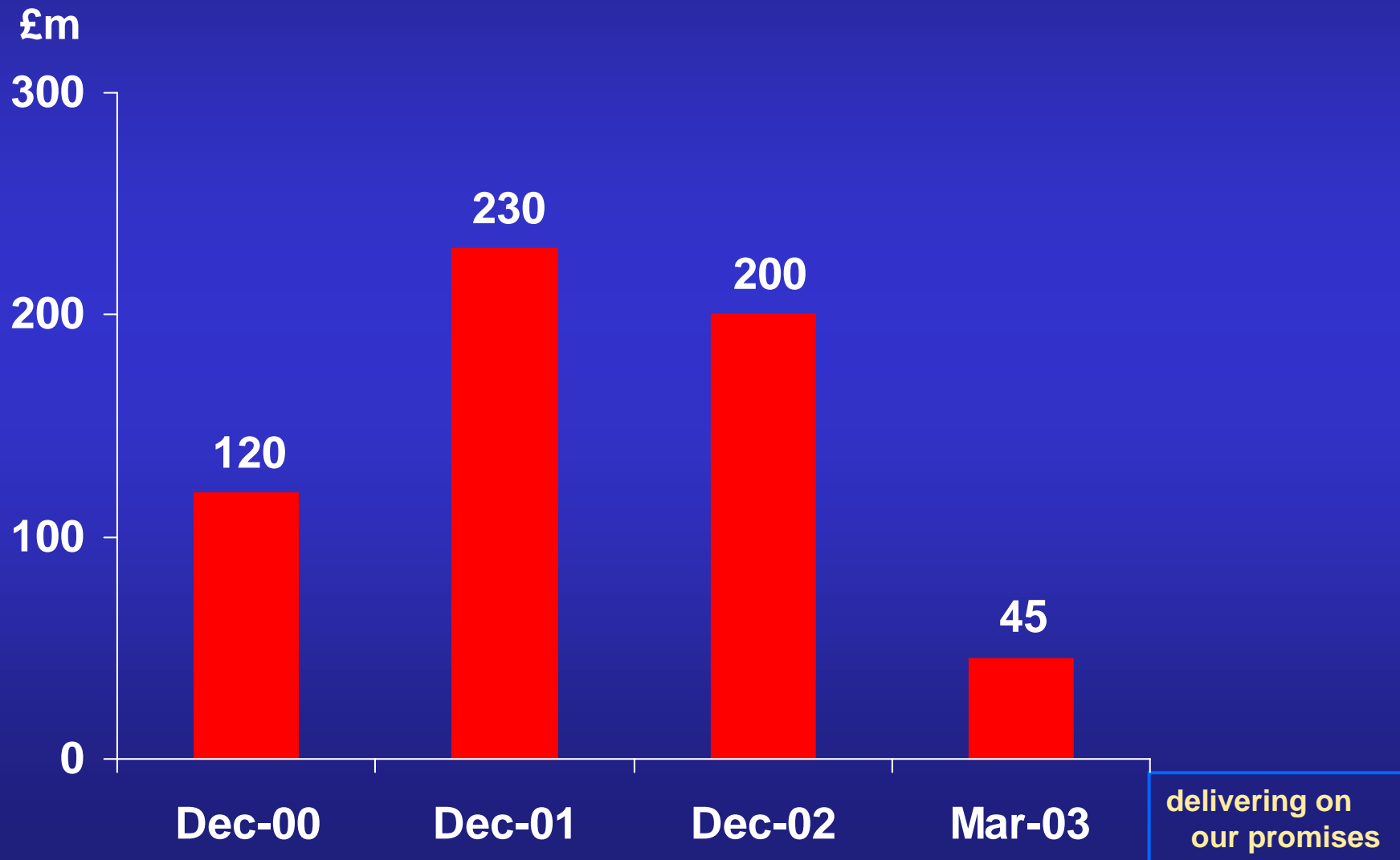
Action Plans - Revenue Benefits

	Annualised Revenue Benefits £m	Number of Initiatives
Bid document	390	43
Improved initiatives	95	-
Reduced initiatives	(30)	-
Initiatives removed	(25)	(5)
New initiatives	125	11
Total	555	49
Inflation	40	-
Total plus inflation	595	49

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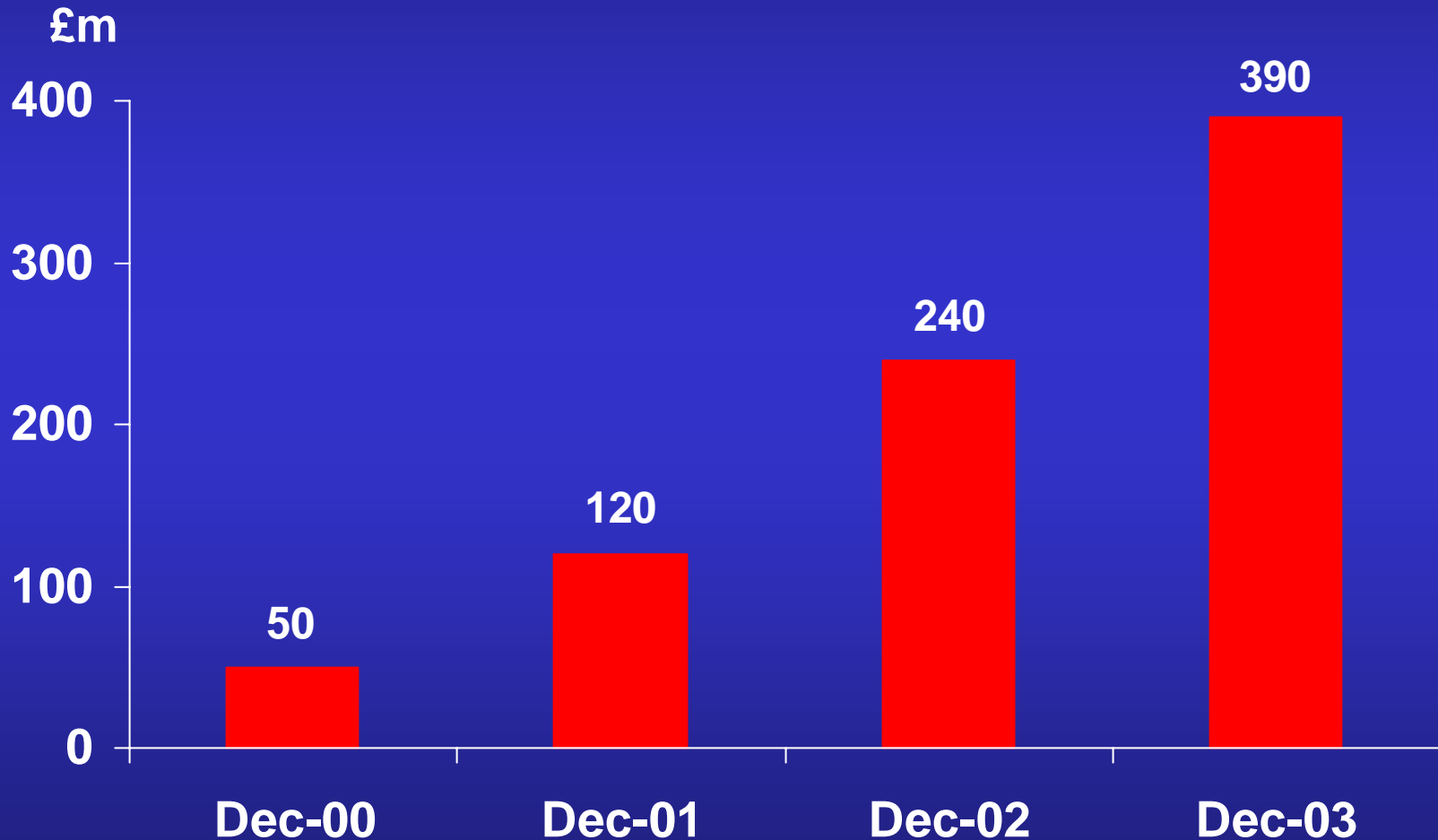
Revenue Benefits

Annualised amount implemented in each period



Revenue Benefits

Impact on Profit Before Tax



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Actual v Expected?

Days 1 - 30

Good Surprises

- Co-operation
- Bureaucracy
- Greenwich NatWest
- Internet

- Wine cellar

Bad Surprises

- Budget
- Property
- Remuneration
- Avoidance behaviour

- Cricket sponsorship

Objectives

Days 30 - 120

- Communication
- Commence revitalisation of NatWest brand
- London business and property strategy
- Select IT platform
- Complete sale of RSA, NatWest Life, UBIM, UBIS, NWEF
- EGM - Additional Value Shares