



Shareholder Event

26th May 2015



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Les Matheson

CEO, Personal & Business Banking

Personal & Business Banking in numbers



Our PBB strategy



Becoming No. 1 for customer service, trust and advocacy by taking care of our customers' financial health

Exceptional people

Who know and care about our customers

Customer-led design

Customer-back not systems-forward

Omni-channel

Seamless interactions with enhanced points of presence

Key customer experiences

Concentrate activity on what matters most

Leveraging existing assets

Engaged frontline



Simpler, fairer, products



Distribution scale



Customer analytics



We have lots of opportunity



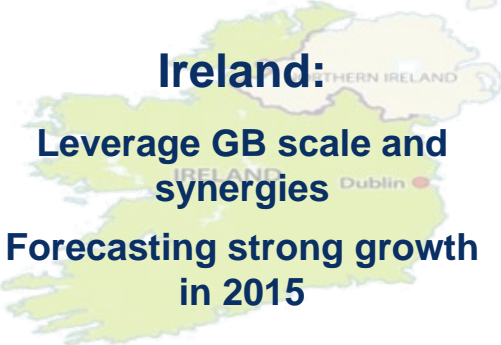
Average customer has 7 financial needs – we only fulfil 2.3 needs per customer



80% of our own customers have their mortgage elsewhere



Targeting 45% growth in business lending in 2015



Ireland:
Leverage GB scale and synergies
Forecasting strong growth in 2015



Right size private model with stronger links to business



Only 1 in 5 customers have our mobile app



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Building the go-forward RBS

Ross McEwan, Chief Executive

2015-2019 – Targeted outcomes



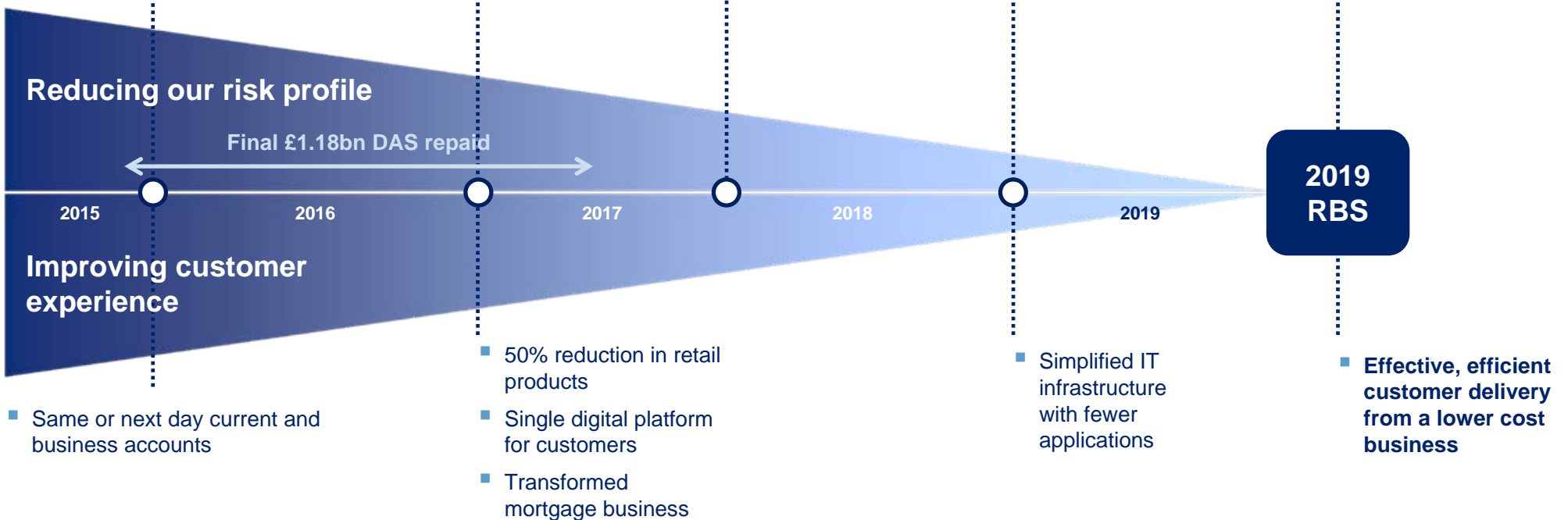
- RCR run-down target achieved ahead of schedule
- Citizens deconsolidation
- RWAs below £300bn
- £2bn AT1 issuance
- Cost reduction of £800m⁽¹⁾

- CET1 ratio of 13%
- Citizens exit
- Williams & Glyn IPO

- Williams & Glyn exit

- ICB compliant

- CIB restructuring complete
- Strong returns from a lower risk banking franchise



⁽¹⁾ Excludes restructuring, conduct, litigation and intangible write-off charges as well as the operating costs of Citizens Financial Group and Williams & Glyn.

The bank RBS intends to become



| | RBS in 2019 | | |
|-------------------------------------|---|--|---|
| # 1 Service | Personal & Business Banking | Commercial & Private Banking | Corporate & Institutional Banking |
| Leading market positions | #2 UK Personal Current Accounts #3 ROI Personal Current Accounts #2 UK business bank main relationship | #1 SME Bank #1 UK Commercial Bank #1 UK Private Bank #1 UK crown dependencies | Top 3 UK Rates, DCM, FX Top 3 European Structured Finance Top 3 Western Europe Investment Grade Corporate DCM |
| Attractive returns and business mix | UK centred bank with focused international capability 85% of RWAs in retail and commercial/15% in corporate and institutional Cost:income ratio <50% 12+% RoTE from a lower risk franchise | | |

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Q & A



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