

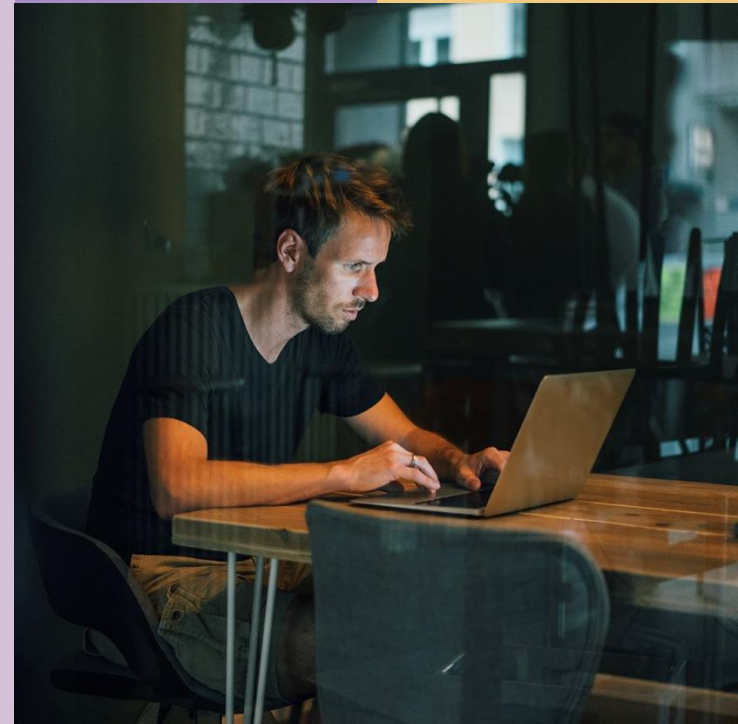


NatWest
Group



Full Year 2019 Results Fixed Income

14 February 2020





2019 Financial Performance

FY'19 update on progress

The results in this presentation relate to The Royal Bank of Scotland Group plc which is intended to be renamed NatWest Group plc later this year.

Forward-looking considerations: The targets, expectations and trends discussed in this presentation reflect management's current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" section on pages 281 to 295 of the 2019 Annual Report and Accounts. These statements constitute forward looking statements, please see Forward Looking Statements on slide 26 of this presentation.

Net loan growth

- 3.7% FY'19 net loan growth across Personal, Ulster Rol, Commercial & Private
- Exceeded 2-3% net loan growth target in 2019



Continuing cost reduction

- Reduced other expenses by £310m in FY'19
- Exceeded our £300m FY'19 target



Capital generation

- CET1 ratio at 16.2%
- Generated 110bps of capital from profits (ex. Alawwal and PPI) for FY'19
- RWAs decreased by £9.5bn, at £179.2bn vs. £185–190bn FY'19 guidance



Capital returns

- 3p Ordinary, 5p Special
- £2.7bn of dividends in FY'19
- Well placed to participate in any future Government sell-down



FY'19 RoTE 9.4%
FY'19 RoTE 4.7% (ex. FX gains)

Q4 2019 summary financials

£m	Q4'19	Q4'19 vs. Q4'18	Q4'19 vs. Q3'19
Total income	4,233	38%	46%
Operating expenses	(2,527)	2%	(6%)
o/w Other expenses	(1,905)	(6%)	10%
o/w Strategic costs	(537)	51%	150%
o/w Litigation & conduct costs	(85)	(8%)	(89%)
Impairment losses	(160)	n.m.	(25%)
Operating profit/ (loss)	1,546	170%	n.m.
Tax	(37)	(69%)	(82%)
Prefs/ MI/ Disc ops	(99)	(41%)	(7%)
Attributable profit / (loss)	1,410	n.m.	n.m.
Attributable profit / (loss) ex. FX gain	176	(38%)	n.m.
Cost:income ratio	59.4%	(21pp)	(34pp)
RoTE ¹	17.7%	14pp	22pp

1 Excluding FX recycling gains RoTE was 4.7% for the year or 2.2% for the quarter

Treasurer's review of 2019

Balance sheet reflects diversified funding, prudent liquidity management and ongoing capital generation

Strong pass on BoE stress test, lower Pillar 2A requirements and GSIB buffer removed

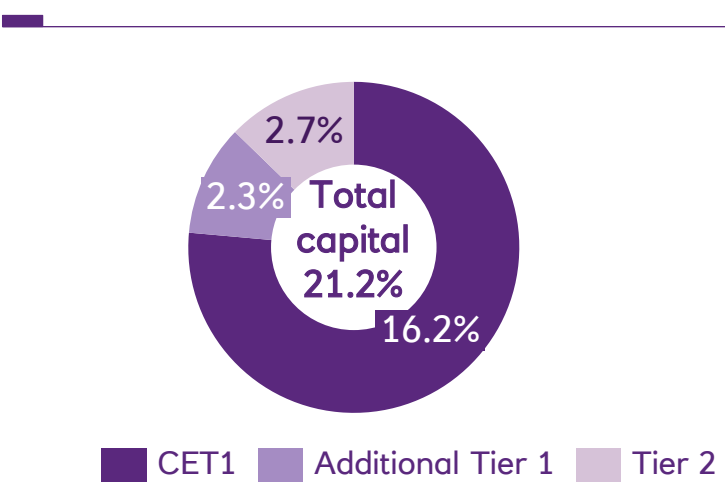
Issuance plan achieved, inaugural SONIA linked covered bond and our first social bond

Continued capital optimisation with Tier 2 redemption and dividend from UBIDAC

Further progress on ratings, credit spreads converging toward peers

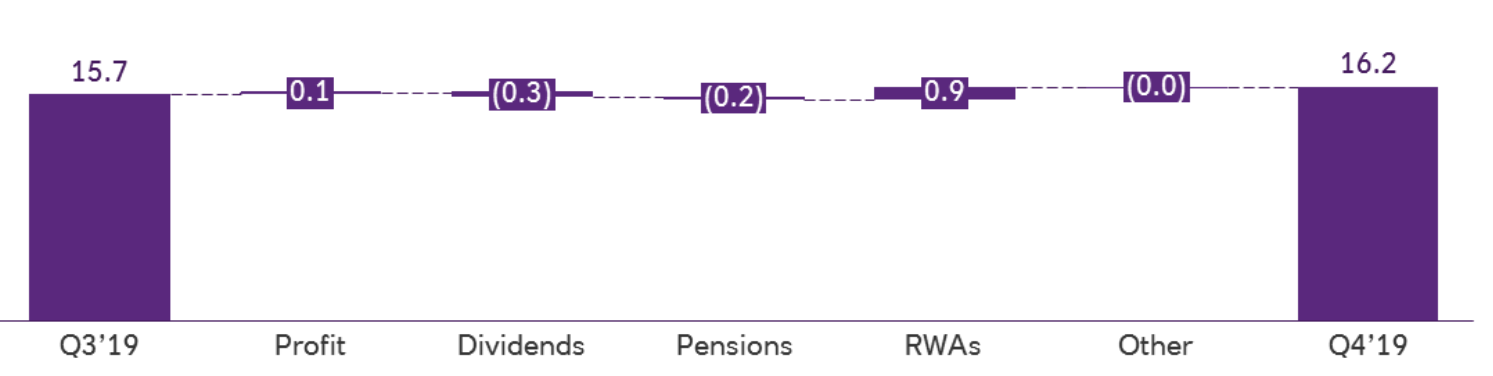
Strong capital generation

Capital stack¹ (% RWA)

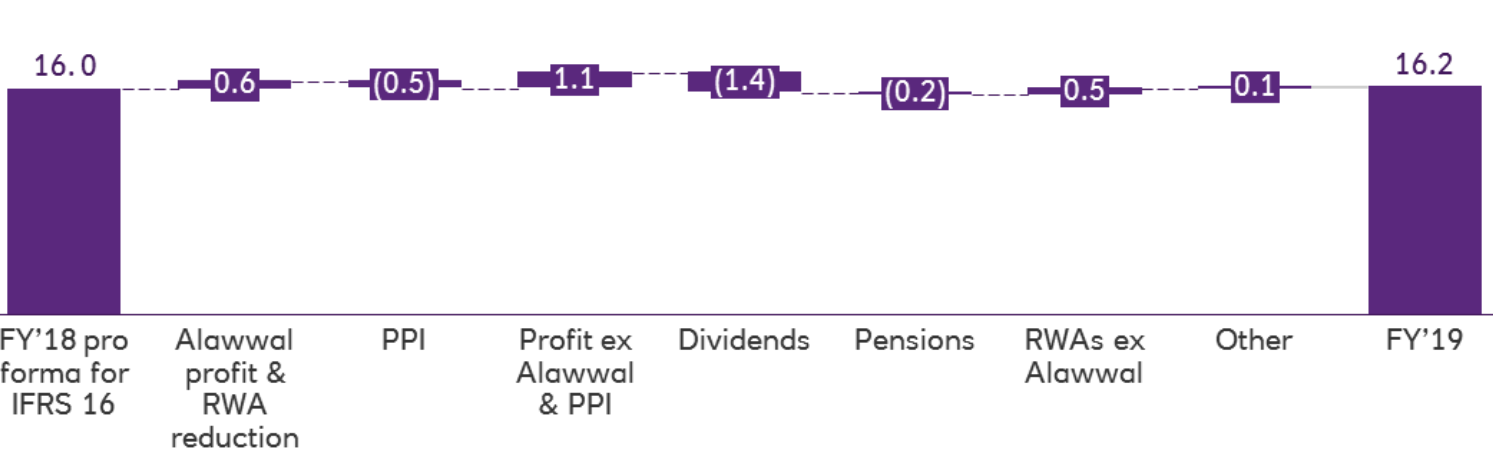


Capital generation (CET1, %)

Q4'19 vs Q3'19



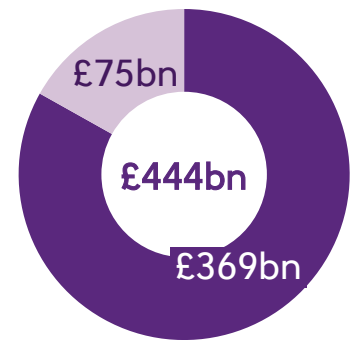
FY'19 vs FY'18



Note: Figures may not cast due to rounding
 1 End-point CRR basis

Diversified funding, prudent liquidity metrics

Total funding mix (£bn)^{1,2}



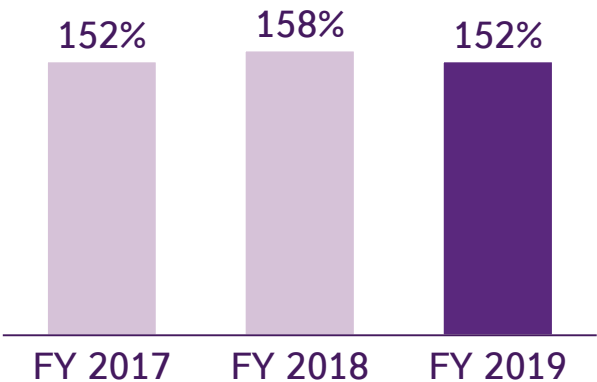
Customer deposits Wholesale funding

Liquidity portfolio (£bn)³

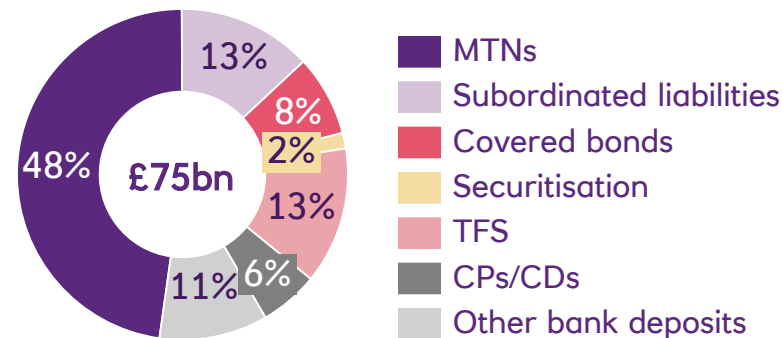


Primary liquidity³ Secondary liquidity

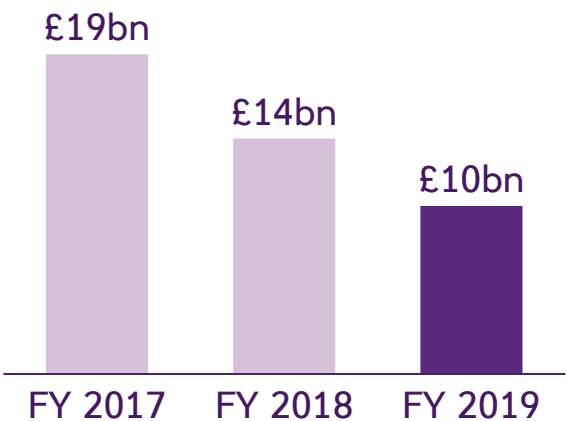
Liquidity coverage ratio (%)



Wholesale funding mix (£bn)¹



Term Funding Scheme participation



Key metrics



Note: Figures may not cast due to rounding. 1 Funding excluding repos, derivative cash collateral. 2 Customer deposits includes amounts from NBFIs, excludes customer repos. 3 Primary liquidity includes cash and other highly liquid securities, secondary liquidity comprises assets eligible for discounting at the Bank of England and other central banks

2019 issuance

RBS Group plc ¹	
Senior Unsecured ~£4bn	\$2bn 6NC5 \$1.25bn 11NC10 
	£500m 8NC7 
	€750m 6NC5 Social Bond 
Tier 2 \$750m	\$750m 10NC5 
NatWest Bank Plc	
Covered Bond £750m	£750m 4Y SONIA linked 

NatWest Markets Plc	
Senior Unsecured ~£5bn ²	\$1.3bn dual tranche 3.5yr FXD and FRN 
	€ 1bn 5yr FXD € 1.25bn 2yr FXD € 500m 1.5yr FRN € 250m 5yr FXD € 500m 1.5yr FRN 
	¥ 50bn 3yr and 5yr FXD 
	Kr500m 2yr FRN 
	CHF350m 4yr FXD 

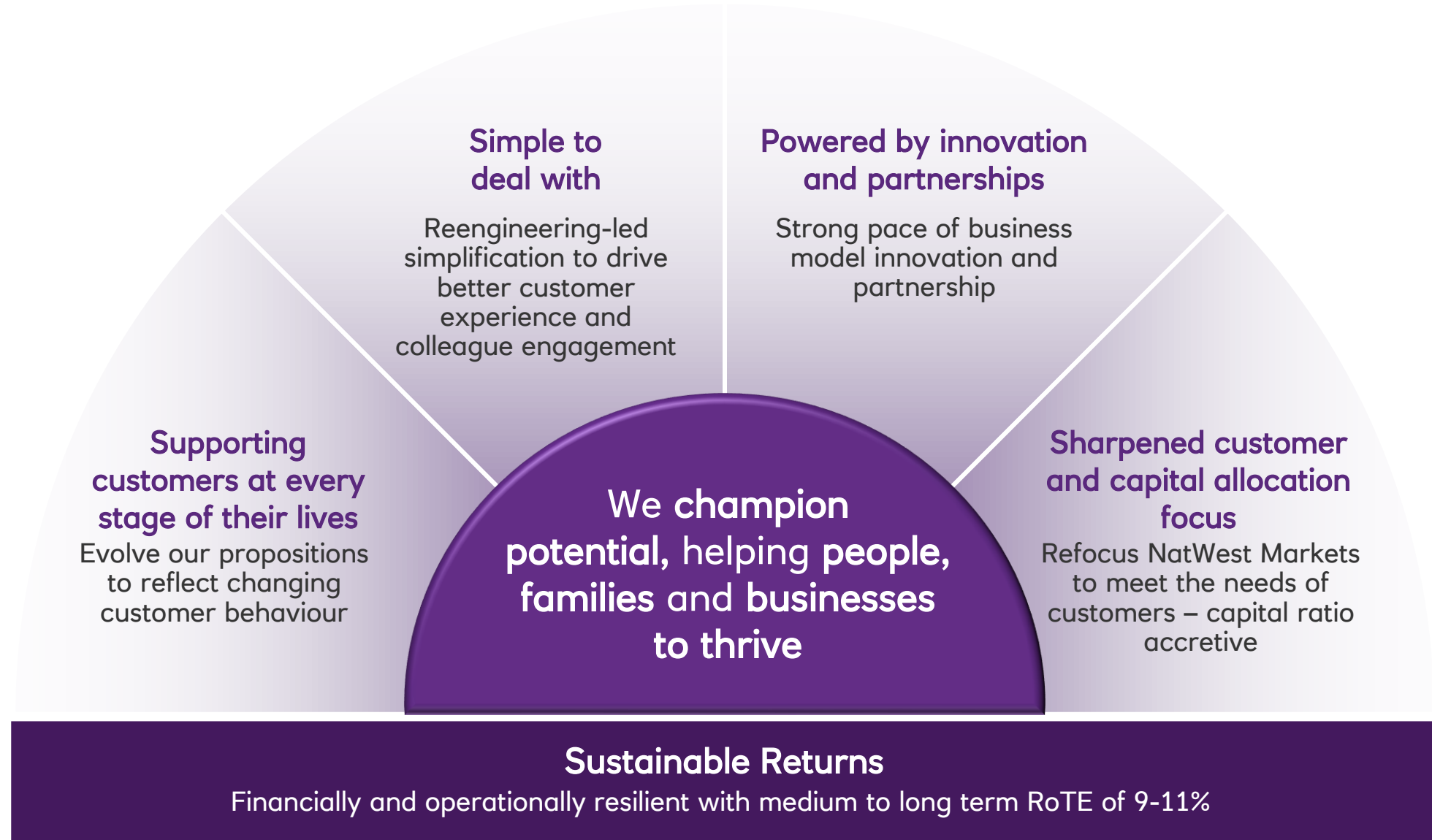
¹ The Royal Bank of Scotland Group plc is intended to be renamed NatWest Group plc later this year

² Includes additional minor trades and private placements



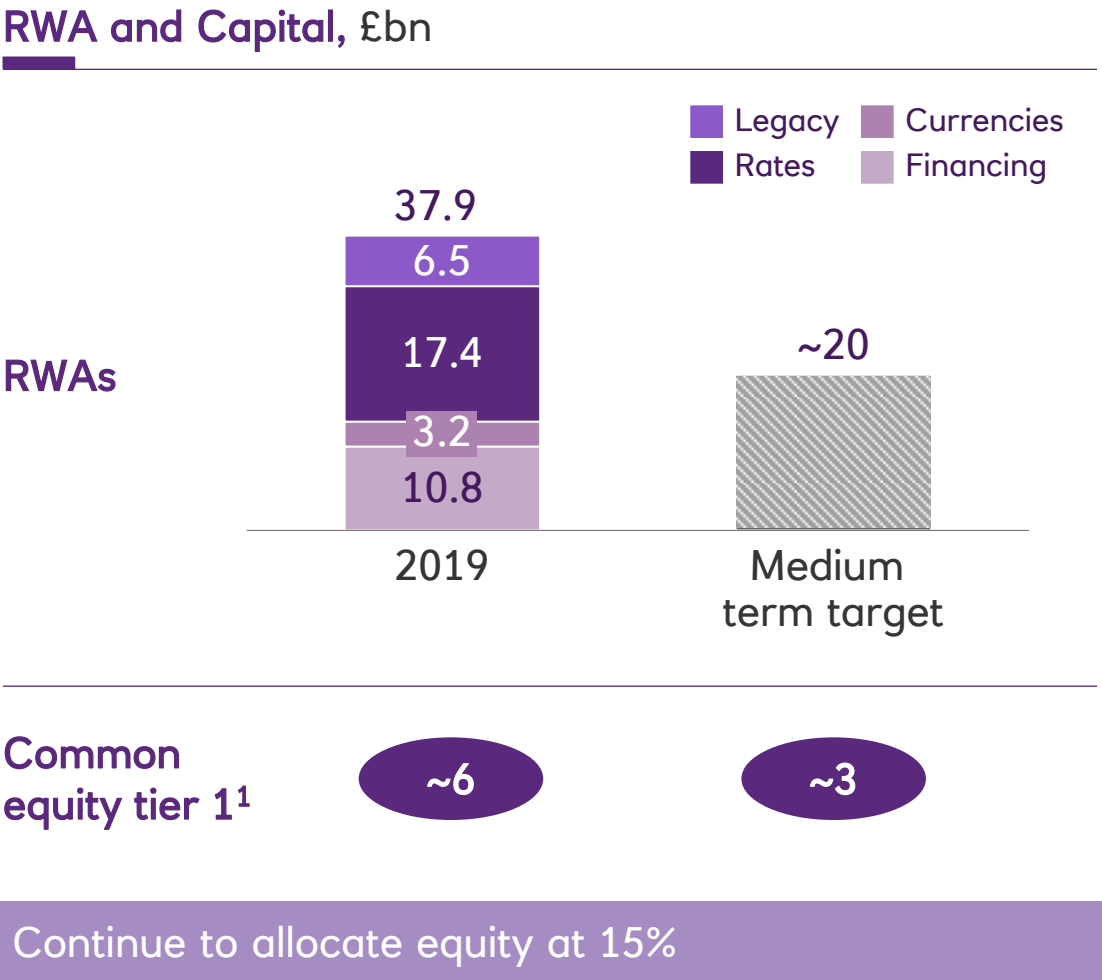
Investment case,
target financial
shape and 2020
guidance

A purpose-led bank responding to the changing needs of all stakeholders



NatWest Markets will be c.10% of the group

Capital release, £bn		
	Year 1	Medium term, cumulative
NWM RWA reduction	6-8	c.18
NWM associated capital release ¹	c.1.0	c.2.7
NWM strategic costs	c.0.2	
NWM disposal losses	c.0.4	
Including revenue impact from refocusing, current plans assume capital ratio accretive in year one and over the course of the transition period ²		



Illustrative ROE for our corporate and institutional customers expected to be c.8% in the medium to long term³

1 NatWest Markets franchise capital release and CET1 are implied figures calculated using equity allocated at 15%
 2 After accounting for strategic costs and disposal losses. Continue to refine plan over the transition period 3 Excluding strategic, litigation and conduct costs

Financial targets and outlook

2020 financial targets and outlook

Regulatory impact	Personal Banking: c.£200m negative impact on income
Costs	Cost take-out target: £250m ¹ Strategic costs target of £0.8-1.0bn for NWM refocus (c.£0.2bn strategic costs and £0.4bn disposal losses) and continued resizing of the Group's cost base
Impairments	Below 30-40 bps for the impairment loss rate assumption
Capital	n/a
Returns	n/a
RWAs	c.£185-190bn RWAs by the end of FY'20 including an estimated c.£10.5bn increase associated with implementation of Bank of England mortgage floors
NWM RWAs	Reducing by £6-8bn in the first year
Lending	Greater than 3% growth across our retail and commercial franchises
Dividends and pay-outs	Ordinary dividends are expected to be around 40% of attributable profit Directed buybacks of the UK government ² stake limited to 4.99% of issued share capital in any 12 month period Committed to make further pre-tax contributions to the pension scheme of up to £1.5bn in aggregate from 1 January 2020 linked to future distributions to RBS shareholders.

Medium to long term targets and outlook

n/a
Ongoing operating cost take-out
n/a
End 2021 target: c.14% CET1 ratio Medium to long term target: 13-14% CET1 ratio
Group RoTE target: 9-11%
Basel 3 amendments c.5-10% phased across 2021-2023. Details still subject to regulatory uncertainty on both quantum and timing
Medium term target: c.£20bn Including revenue impact from refocusing, current plans assumed to be capital ratio accretive in year one and over the course of the transition period ³ (after accounting for strategic costs and disposal losses)
n/a
n/a

¹ Excludes operating lease depreciation, conduct, litigation and strategic costs ² Dependent upon HMT's intentions ³ Continue to refine plan over the transition period

2020 issuance plans

Continued diversification of issuance across a range of formats, currencies and tenors

RBS Group plc²

- Senior unsecured MREL: £2 to 4bn, of which up to £1bn in GSS¹ format
 - Tier 2: up to £2.5bn
 - AT1: up to £1.5bn
-

NatWest Markets Plc

- Senior unsecured: £3 to 5bn
-

NatWest Bank Plc

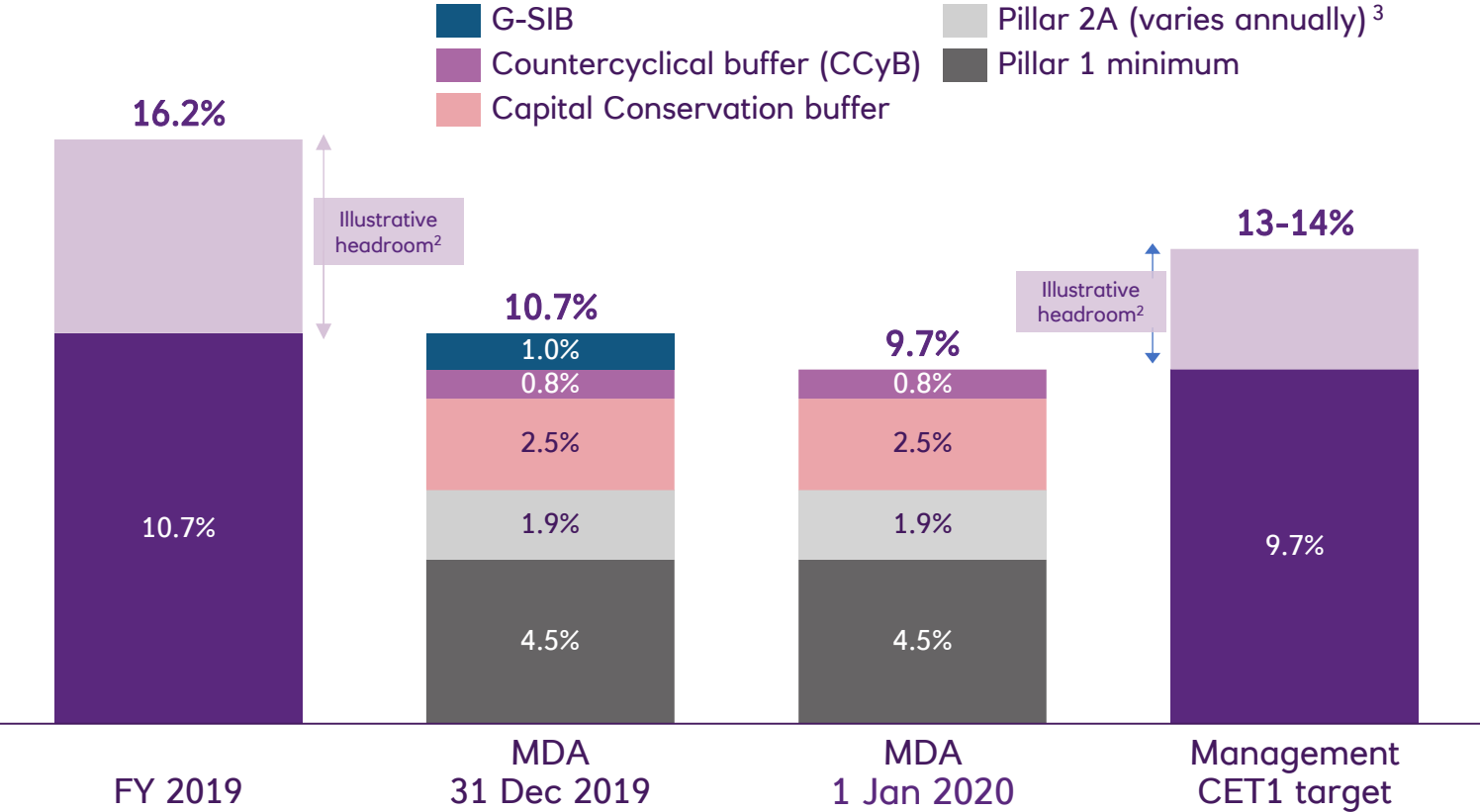
- Covered Bond and RMBS, subject to funding and liquidity considerations
-

¹ Green, Social and Sustainability

² The Royal Bank of Scotland Group plc is intended to be renamed NatWest Group plc later this year.

CET1 ratio significantly above regulatory requirements

FY 2019 CET1 and target CET1 ratio versus maximum distributable amount (“MDA”)¹



- G-SIB buffer of 1.0% no longer applies to RBSG from 1 Jan 2020
- UK Countercyclical buffer will increase to 2.0% from 1.0% on 16 Dec 2020
- Reflecting on the increased UK CCyB the PRA will consult in 2020 on proposals to reduce Pillar 2A requirements in a way that leaves overall loss-absorbing capacity in the banking system broadly unchanged

1 Illustration, based on assumption of static regulatory capital requirements, Pillar 2B /PRA buffer requirements are not disclosed 2 Headroom presented on the basis of MDA and therefore exclusive of any potential PRA buffer requirements and does not reflect excess distributable capital. Headroom may vary over time and may be less in future. 3 RBS's Pillar 2A requirement was 3.4% of RWAs as at 31 December 2019. 56% of the total Pillar 2A requirement, must be met from CET1 capital. Pillar 2A requirement held constant over the period for illustration purposes. Requirement is expected to vary over time and is subject to at least annual review. 4 UK Countercyclical Buffer introduced from November 2018. Firm specific Countercyclical Buffer (CCyB) is based on the weighted average of CCyBs applicable to RBS exposures. The buffer in the illustration is based exclusively on CCyB rates in force as at 31 December 2019.

NatWest Markets Plc overview

Key FY 2019 metrics

17.3%
CET1

38.4%
MREL

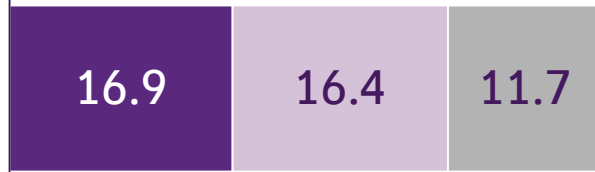
5.1%
CRR Leverage

254%
LCR

£35bn
RWAs

Funding sources and plans

Balance sheet value of funding base as at FY 19¹



■ Capital and iMREL pre - deductions²
■ Senior unsecured
■ Other funding³

NatWest Markets Plc medium-term guidance

CET1 Ratio Above 15%

MREL Ratio At least 30%

Leverage Ratio At least 4%

RWAs Reduce by £14-18bn

Note: Figures may not cast due to rounding. 1 Balance sheet value of capital and funding excluding repos and derivative cash collateral 2 Capital with balance sheet value of £11.8bn before regulatory deductions and CRR-compliant MREL of £5.1bn executed in the form of a loan to RBS Group plc. 3 Other funding excludes repos, derivative cash collateral and non-capital intragroup funding

Investment case

Key messages

Purpose-led decision making

Solid customer businesses with ability to grow

Simple to deal with

Powered by innovation and partnerships

Robust balance sheet with strong capital generation

Financial outcomes

Medium to long term **RoTE target of 9-11%**

Revenue opportunities to help counteract low rate environment. Lending target greater than 3%¹

Operating cost² reduction of £250m in 2020 and ongoing reductions in the medium to long term

Investing to create **future revenue opportunities**

Refocussing NWM to drive **RWA reduction of c.50%** in the medium term

Medium to long term **CET1 ratio of 13-14%** with ordinary **dividend payout ratio of 40%**

Appendix



FY 2019 results by business¹

£bn	UK Personal Banking	Ulster Bank Rol	Commercial Banking	Private Banking	RBSI	NatWest Markets	Central items & other ²	Total RBS
Income	4.9	0.6	4.3	0.8	0.6	1.3	1.8	14.3
Operating expenses	(3.6)	(0.6)	(2.6)	(0.5)	(0.3)	(1.4)	(0.4)	(9.3)
Impairment (losses) / releases	(0.4)	0.0	(0.4)	0.0	(0.0)	0.1	(0.0)	(0.7)
Operating profit	0.9	0.0	1.3	0.3	0.3	(0.0)	1.4	4.2
Funded Assets	182.3	25.4	165.4	23.3	31.7	116.2	28.7	573.0
Net L&A to Customers	158.9	18.2	101.2	15.5	14.1	8.4	10.6	326.9
Customer Deposits	150.3	18.5	135.0	28.4	30.1	3.7	3.2	369.2
RWAs	37.8	13.0	72.5	10.1	6.5	37.9	1.4	179.2
LDR	106%	98%	75%	55%	47%	n.m.	n.m.	89%
ROE³	9.6%	2.3%	8.4%	15.4%	25.7%	(3.2%)	n.m.	9.4%
Cost : Income ratio ⁴	74.4%	97.4%	58.9%	62.5%	43.3%	105.7%	n.m.	65.1%

¹ Numbers may not cast due to rounding

² Central items & other include unallocated transactions, including volatile items under IFRS, items related to Alawwal bank merger and a US RMBS related reimbursement

³ RBS's 2021 CET1 target is approximately 14% but for the purposes of computing segmental return on equity (ROE), to better reflect the differential drivers of capital usage, segmental operating profit after tax and adjusted for preference share dividends, is divided by average notional equity allocated at different rates of 15% (Ulster Bank Rol – 14% prior to Q1'19), 12% (Commercial Banking), 13% (Private Banking – 13.5% prior to Q1'19, 14% from Q1'17 to Q4'17), 16% (RBS International - 12% prior to Q4'17) and 15% for all other segments, of the monthly average of segmental risk-weighted assets equivalents (RWAs) incorporating the effect of capital deductions. RBS return on equity is calculated using profit for the period attributable to ordinary shareholders

⁴ Total operating expenses less operating lease depreciation divided by total income less operating lease depreciation. (FY'19 - £138 million).

Q4 2019 results by business¹

£bn	UK Personal Banking	Ulster Bank RoI	Commercial Banking	Private Banking	RBSI	NatWest Markets	Central items & other ²	Total RBS
Income	1.2	0.1	1.1	0.2	0.2	0.3	1.2	4.2
Operating expenses	(0.8)	(0.1)	(0.7)	(0.1)	(0.1)	(0.4)	(0.3)	(2.5)
Impairment (losses) / releases	(0.1)	(0.0)	(0.1)	0.0	(0.0)	0.0	(0.0)	(0.2)
Operating profit	0.3	(0.0)	0.3	0.1	0.1	(0.1)	0.9	1.5
Funded Assets	182.3	25.4	165.4	23.3	31.7	116.2	28.7	573.0
Net L&A to Customers	158.9	18.2	101.2	15.5	14.1	8.4	10.6	326.9
Customer Deposits	150.3	18.5	135.0	28.4	30.1	3.7	3.2	369.2
RWAs	37.8	13.0	72.5	10.1	6.5	37.9	1.4	179.2
LDR	106%	98%	75%	55%	47%	n.m.	n.m.	89%
ROE ³	14.9%	(1.0%)	7.6%	12.0%	17.3%	(6.5%)	n.m.	17.7%
Cost : Income ratio ⁴	65.9%	100.7%	63.9%	69.2%	55.3%	156.8%	n.m.	59.4%

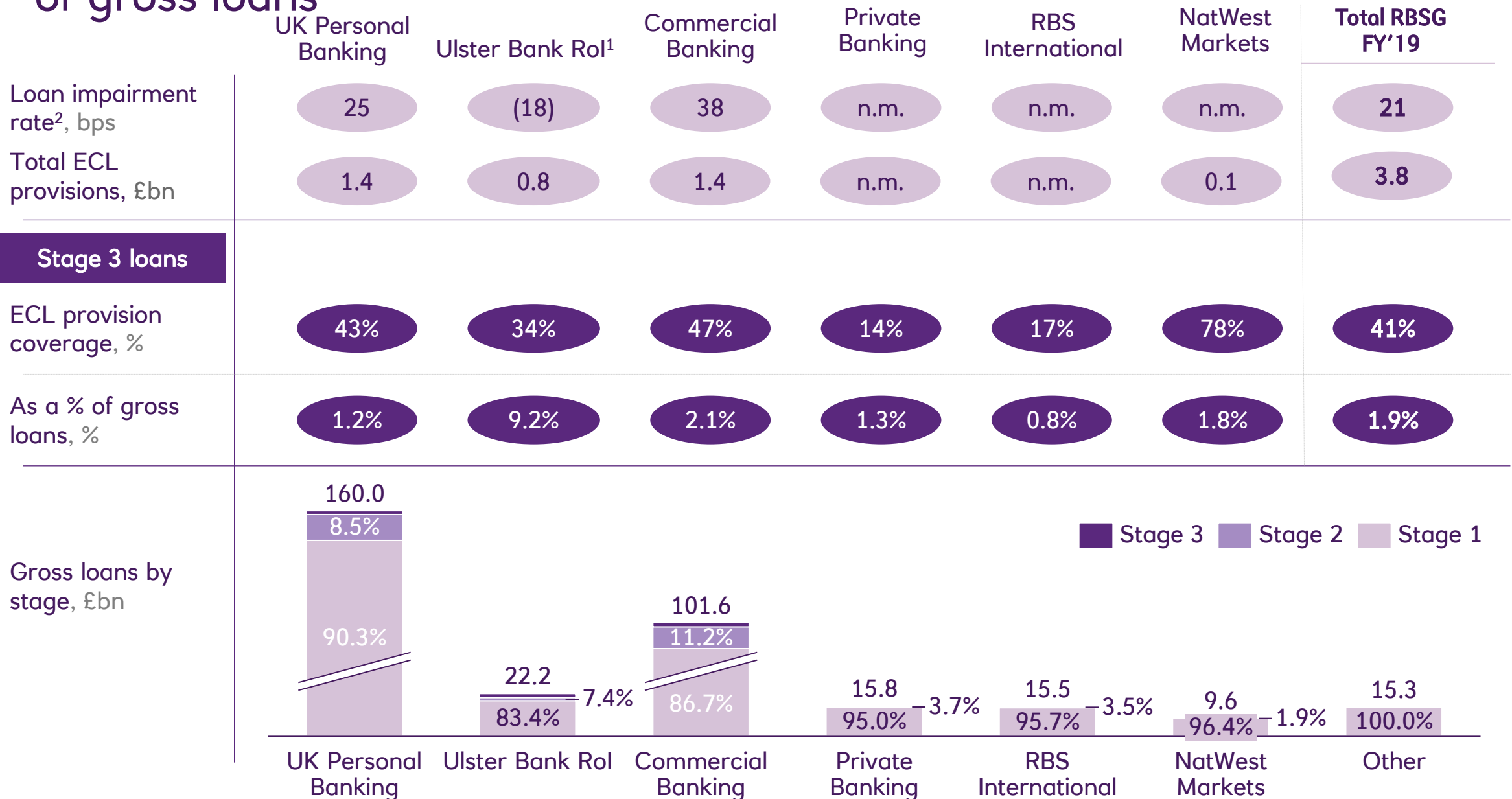
¹ Numbers may not cast due to rounding

² Central items include unallocated transactions, including volatile items under IFRS and FX recycling gain

³ RBS's 2021 CET1 target is approximately 14% but for the purposes of computing segmental return on equity (ROE), to better reflect the differential drivers of capital usage, segmental operating profit after tax and adjusted for preference share dividends, is divided by average notional equity allocated at different rates of 15% (Ulster Bank RoI – 14% prior to Q1'19), 12% (Commercial Banking), 13% (Private Banking – 13.5% prior to Q1'19, 14% from Q1'17 to Q4'17), 16% (RBS International - 12% prior to Q4'17) and 15% for all other segments, of the monthly average of segmental risk-weighted assets equivalents (RWAs) incorporating the effect of capital deductions. RBS return on equity is calculated using profit for the period attributable to ordinary shareholders.

⁴ Total operating expenses less operating lease depreciation divided by total income less operating lease depreciation. (Q4'19 - £35 million).

Strong asset quality at FY 2019 with stage 3 loans below 2.0% of gross loans



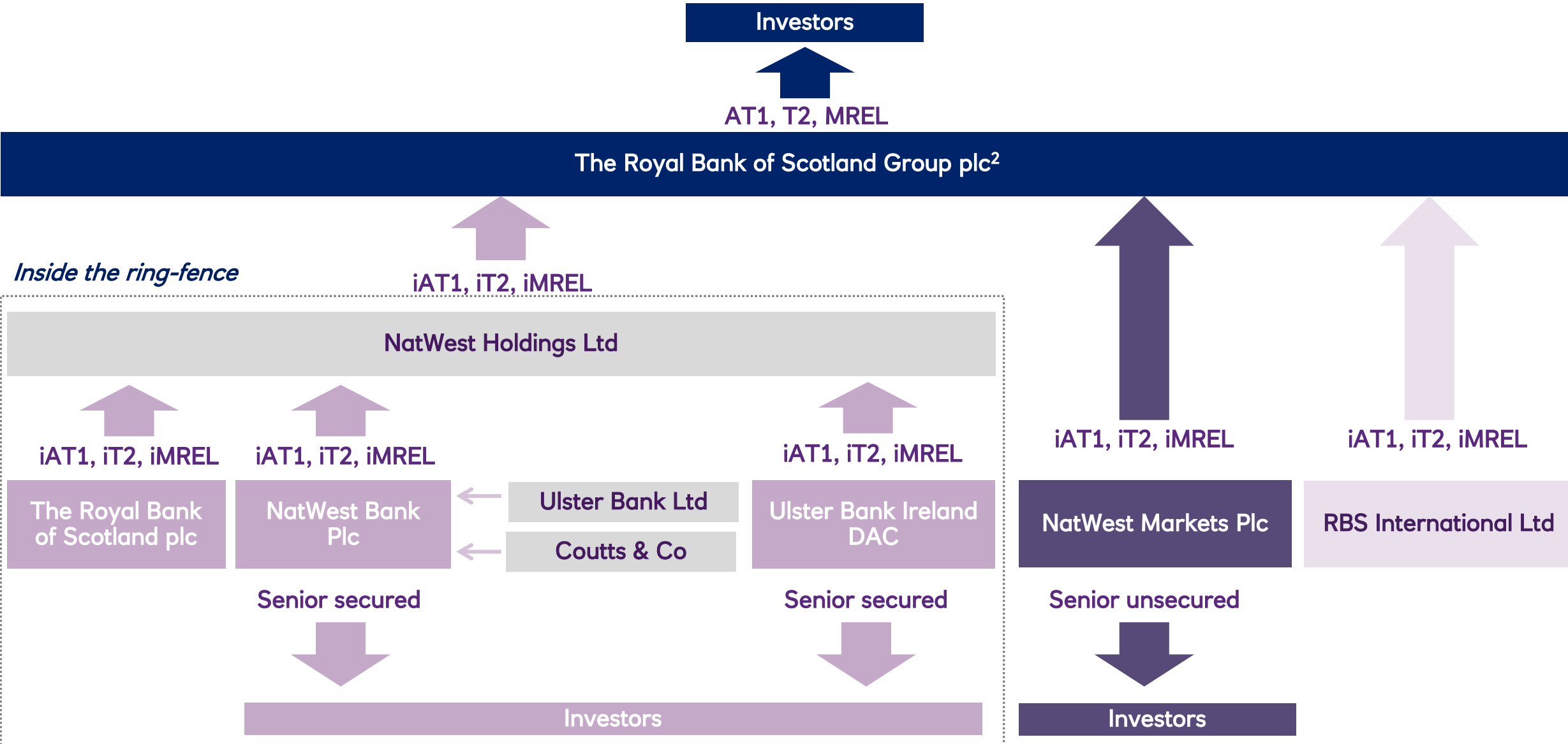
1 Ulster Rol metrics calculated using GBP 2 Loan impairment rate is calculated on loans to customers, other financials include loans to customers and banks

Ratings have continued on a positive trend

	Moody's	S&P	Fitch
RBS Group	Baa2/Pos	BBB/Sta	A/Sta
Inside the ring-fence			
Natwest Bank Plc	A1*/A2/Pos	A/Sta	A+/Sta
Royal Bank of Scotland plc	A1*/A2/Pos	A/Sta	A+/Sta
Ulster Bank Ireland DAC	A3*/Baa1/Pos	A-/Sta	A-/Sta
Ulster Bank Ltd	A1*/A2/Pos	A/Sta	A+/Sta
Outside the ring-fence			
NatWest Markets Plc	Baa2/Pos	A-/Sta	A/Sta
NatWest Markets N.V.	Baa2/Pos	A-/Sta	A/Sta
NatWest Markets Securities Inc	NR	A-/Sta	A/Sta
RBSI	Baa1/Pos	A-/Sta	A/Sta

- S&P's upgraded all RBS entities in May 2019 by 1 notch
- Moody's maintained the positive outlook on all RBS entities
- Fitch ratings are now on stable outlook across all entities, from Rating Watch Negative, following a UK sector-wide review in December

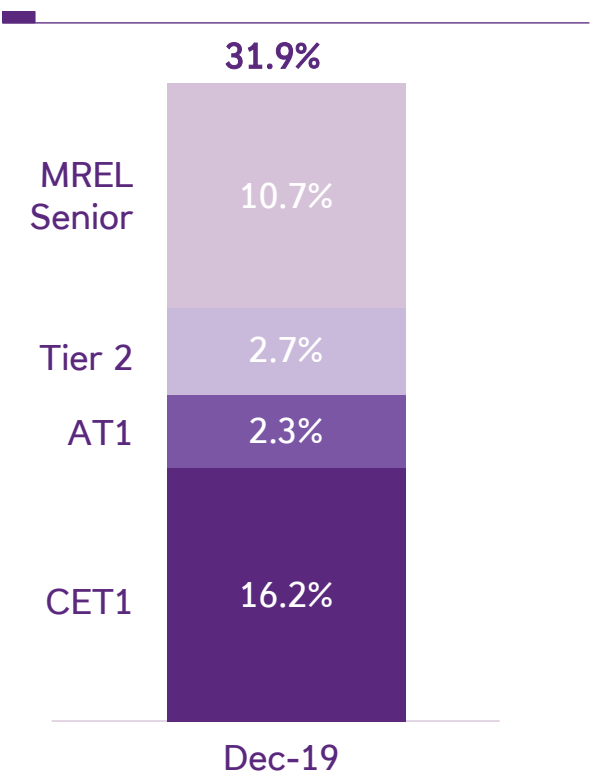
Issuing entity structure¹



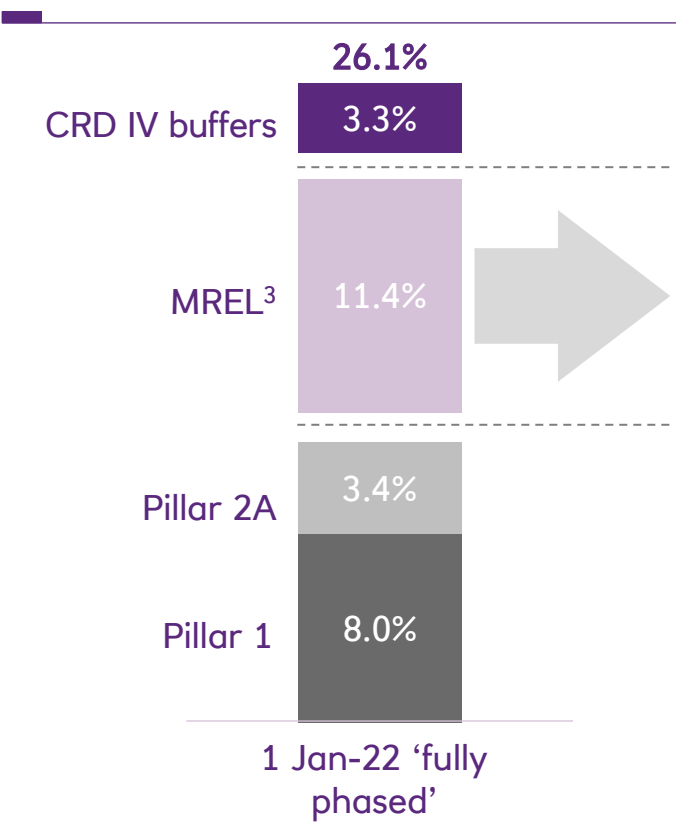
¹ Future external issuance of AT1, Tier 2 and MREL will be from RBS Group plc, subsidiaries will only issue AT1, Tier 2 and MREL internally. NatWest Bank Plc and Ulster Bank Ireland DAC will issue senior secured externally and NatWest Markets Plc will issue senior unsecured externally ² The Royal Bank of Scotland Group plc is intended to be renamed NatWest Group plc later this year.

Good progress on future MREL stack, on track to meet end-state requirements

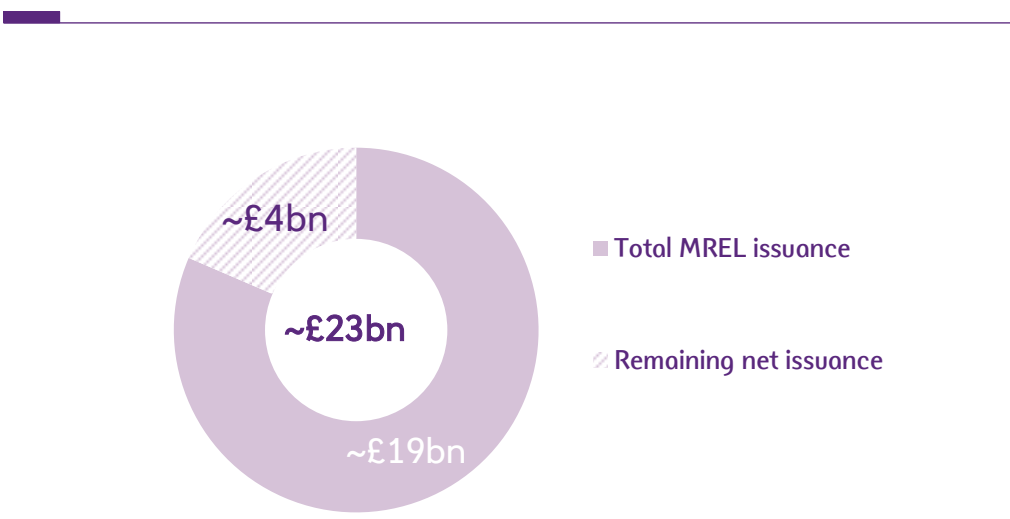
Current RBS Group Capital Stack (FY 2019)¹



Future LAC Requirement²
Based on BoE 2019 actual and indicative MREL requirements



Progress towards future senior MREL³ needs
Based on illustrative £200bn RWAs and static regulatory capital requirements^{2,4}

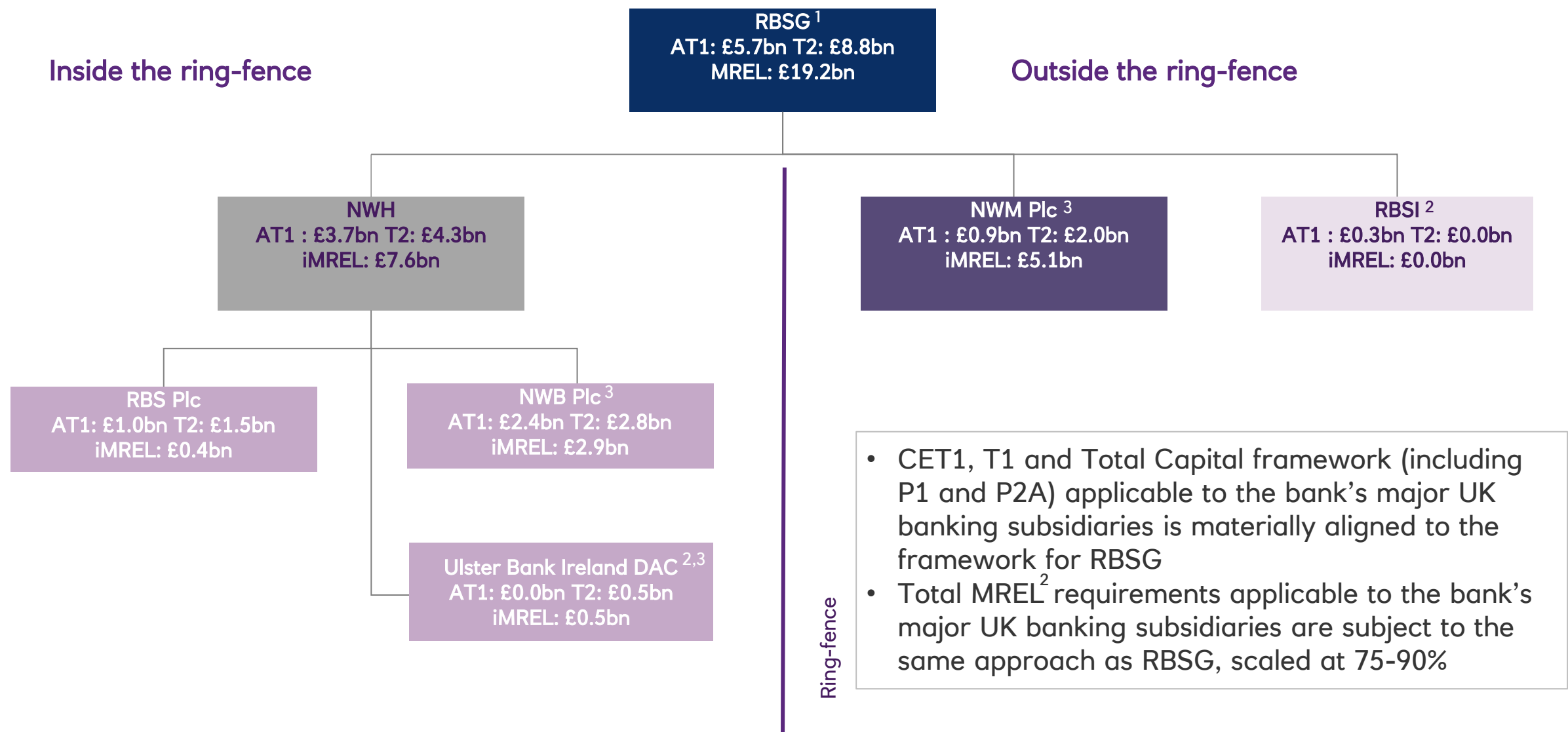


Note: Figures may not cast due to rounding 1 RBSG capital stack values are on an end-point CRR basis, MREL senior represents the LAC value of senior unsecured issuance from RBSG 2 LAC: Loss Absorbing Capital, comprising minimum requirement for own funds and eligible liabilities and CRDIV buffers. Requirements are based on BoE 2019 actual and indicative MREL requirements updated for current RBSG Pillar 2A requirements. CRD IV buffers exclude G-SIB buffer which no longer applies from 1 Jan 2020. The requirements are shown exclusive of management and PRA buffers. 3 Senior unsecured MREL not required to be met by regulatory capital. 4 Illustrative only, both RWA and future capital requirements subject to change. If these are lowered then our corresponding MREL requirements will also be lowered.

Estimated Loss Absorbing Capital (“LAC”)

(£bn)	Par Value	Balance sheet value	Regulatory value	LAC value
CET1 Capital	29.1	29.1	29.1	29.1
Tier 1 capital: end-point CRR compliant AT1	4.0	4.0	4.0	4.0
o/w: RBSG (HoldCo)	4.0	4.0	4.0	4.0
o/w: RBSG operating subsidiaries (OpCos)	-	-	-	-
Tier 1 capital: non end-point CRR compliant	1.5	1.7	1.5	0.6
o/w: HoldCo	1.4	1.6	1.4	0.5
o/w: OpCos	0.1	0.1	0.1	0.1
Tier 2 capital: end-point CRR compliant	6.7	6.9	4.9	5.1
o/w: HoldCo	6.2	6.4	4.8	4.7
o/w: OpCos	0.5	0.5	0.1	0.4
Tier 2 capital: non end-point CRR compliant	1.7	1.9	1.3	1.7
o/w: HoldCo	0.1	0.1	0.1	0.1
o/w: OpCos	1.6	1.8	1.2	1.6
Senior unsecured debt securities issued by:				
o/w: HoldCo	18.6	19.2	-	19.2
o/w: OpCos	21.1	20.7	-	-
RWAs				179.2
LAC as a ratio of RWA				33.3%

Internal MREL – FY 2019



Note: Balance Sheet Value as at FY 2019, for iMREL the NWB Plc and Ulster Bank Ireland DAC values represent the notional value as at FY 2019.
1 Includes non-end point compliant Tier 1 and Tier 2. 2 Non-UK entities internal MREL/TLAC requirements are subject to the development of resolution policies in local jurisdictions 3 Externally issued debt is not included in the diagram for RBSG subsidiaries

Cautionary & forward looking statements

The targets, expectations and trends discussed in this presentation represent RBSG, and where applicable NWM management's, current expectations and are subject to change, including as a result of the factors described in the "Summary Risk Factors" on pages 281 and 295 of the RBSG 2019 Annual Report and Accounts, as well as the Risk Factors" section on pages 143 to 156 of the NatWest Markets Plc 2019 Annual Report and Accounts, respectively. Cautionary statement regarding 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', 'commit', '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: future profitability and performance, including financial performance targets such as return on tangible equity; cost savings and targets, including cost:income ratios; litigation and government and regulatory investigations, including the timing and financial and other impacts thereof; the implementation of the Alternative Remedies Package; the continuation of the Group's balance sheet reduction programme, including the reduction of risk-weighted assets (RWAs) and the timing thereof; capital and strategic plans and targets; capital, liquidity and leverage ratios and requirements, including CET1 Ratio, RWA equivalents (RWAE), Pillar 2 and other regulatory buffer requirements, minimum requirement for own funds and eligible liabilities, and other funding plans; funding and credit risk profile; capitalisation; portfolios; net interest margin; customer loan and income growth; the level and extent of future impairments and write-downs, including with respect to goodwill; restructuring and remediation costs and charges; the Group's exposure to political risk, economic risk, climate change risk, operational risk, conduct risk, cyber and IT risk and credit rating risk and to various types of market risks, including interest rate risk, foreign exchange rate risk and commodity and equity price risk; customer experience including our Net Promoter Score (NPS); employee engagement and gender balance in leadership positions.

Limitations inherent to forward-looking statements

These statements are based on current plans, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to the Group's strategy or operations, which may result in the Group being unable to achieve the current targets, predictions, expectations and other anticipated outcomes expressed or implied by such forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. By their nature, certain of these disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated. Accordingly, undue reliance should not be placed on these statements. Forward-looking statements speak only as of the date we make them and we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Important factors that could affect the actual outcome of the forward-looking statements

We caution you that a large number of important factors could adversely affect our results or our ability to implement our strategy, cause us to fail to meet our targets, predictions, expectations and other anticipated outcomes or affect the accuracy of forward-looking statements we describe in this document, including in the risk factors and other uncertainties set out in the RBS Group's 2019 Annual Report and Accounts and the NatWest Markets Plc 2019 Annual Report and Accounts and other risk factors and uncertainties discussed therein. These include the significant risks for the RBS Group presented by: strategic risk (including in respect of: the implementation and execution of the RBS Group's Purpose-led Strategy, including as it relates to the re-alignment of the NWM franchise and the RBS Group's climate ambition and the risk that the RBS Group may not achieve its targets); operational and IT resilience risk (including in respect of: the RBS Group being subject to cyberattacks; operational risks inherent in the RBS Group's business; exposure to third party risks including as a result of outsourcing and its use of new technologies and innovation, as well as related regulatory and market changes; the RBS Group's operations being highly dependent on its IT systems; the RBS Group relying on attracting, retaining and developing senior management and skilled personnel and maintaining good employee relations; the RBS Group's risk management framework; and reputational risk), economic and political risk (including in respect of: prevailing uncertainty regarding the terms of the UK's withdrawal from the European Union; increased political and economic risks and uncertainty in the UK and global markets; climate change and the transition to a low carbon economy; HM Treasury's ownership of RBSG and the possibility that it may exert a significant degree of influence over the RBS Group; changes in interest rates and changes in foreign currency exchange rates), financial resilience risk (including in respect of: the RBS Group's ability to meet targets and make discretionary capital distributions; the highly competitive markets in which the RBS Group operates; deterioration in borrower and counterparty credit quality; the ability of the RBS Group to meet prudential regulatory requirements for capital and MREL, or to manage its capital effectively; the ability of the RBS Group to access adequate sources of liquidity and funding; changes in the credit ratings of RBSG, any of its subsidiaries or any of its respective debt securities; the RBS Group's ability to meet requirements of regulatory stress tests; possible losses or the requirement to maintain higher levels of capital as a result of limitations or failure of various models; sensitivity of the RBS Group's financial statements to underlying accounting policies, judgments, assumptions and estimates; changes in applicable accounting policies; the value or effectiveness of any credit protection purchased by the RBS Group; the level and extent of future impairments and write-downs, including with respect to goodwill; and the application of UK statutory stabilisation or resolution powers) and legal, regulatory and conduct risk (including in respect of: the RBS Group's businesses being subject to substantial regulation and oversight; the RBS Group complying with regulatory requirements; legal, regulatory and governmental actions and investigations (including the final number of PPI claim and their amounts); the replacement of LIBOR, EURIBOR and other IBOR rates to alternative risk free rates; heightened regulatory and governmental scrutiny (including by competition authorities); implementation of the Alternative Remedies Package and the costs related thereto; and changes in tax legislation).

The forward-looking statements contained in this document speak only as at the date hereof, and the Group does not assume or undertake any obligation or responsibility 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 solicit of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.