



The Royal Bank of Scotland Group

Make it happen

strength

diversity

flexibility



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2004 Results

24 February 2005



The Royal Bank of Scotland Group

Sir George Mathewson
Chairman

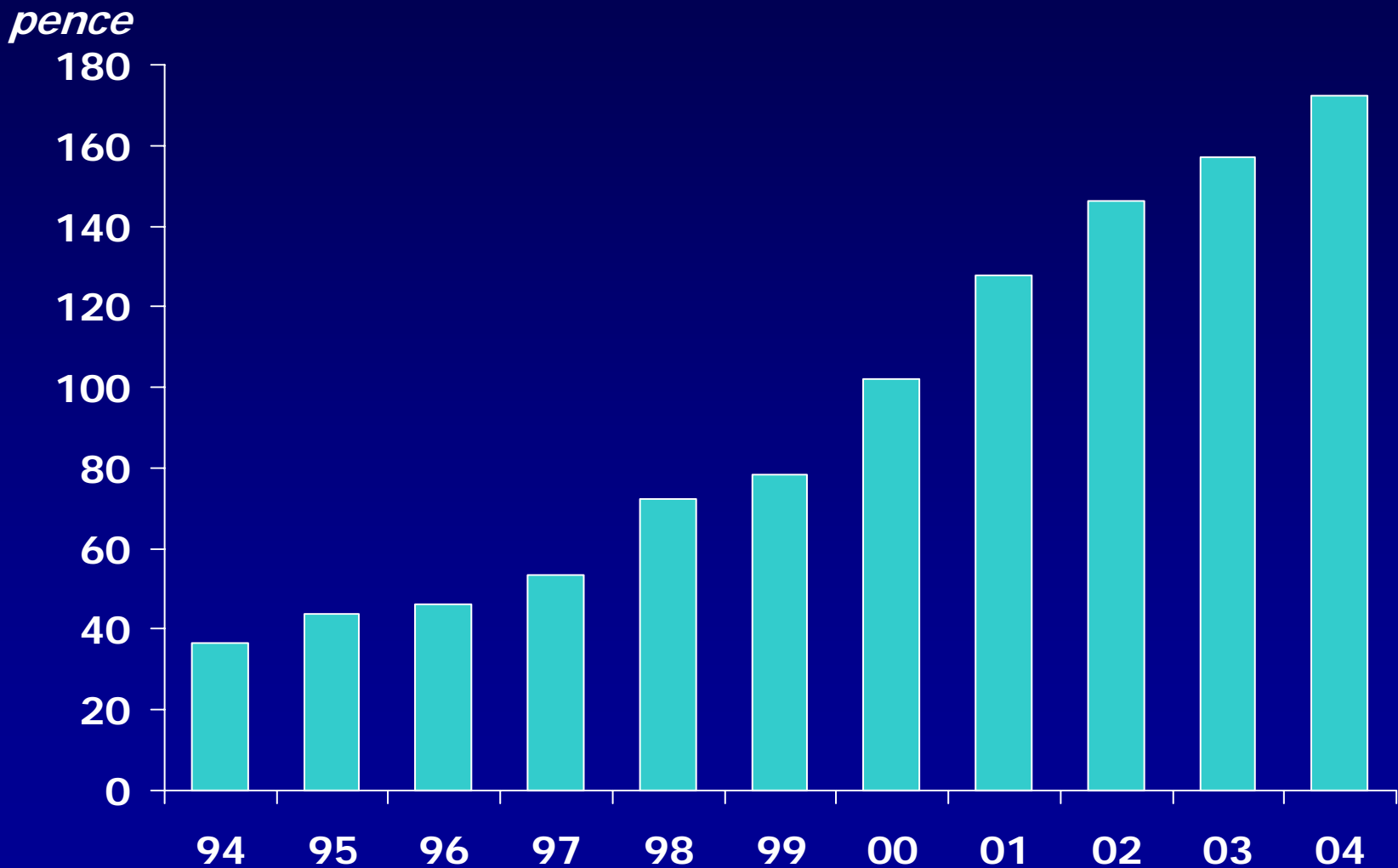
2004 Results

	<i>2004</i> <i>£m</i>	<i>2003</i> <i>£m</i>	<i>Change</i>
Total income	22,754	19,281	+18%
Profit before tax, goodwill amortisation and integration costs (Group operating profit)	8,101	7,068	+15%
Profit before tax	6,917	6,076	+14%

2004 Results

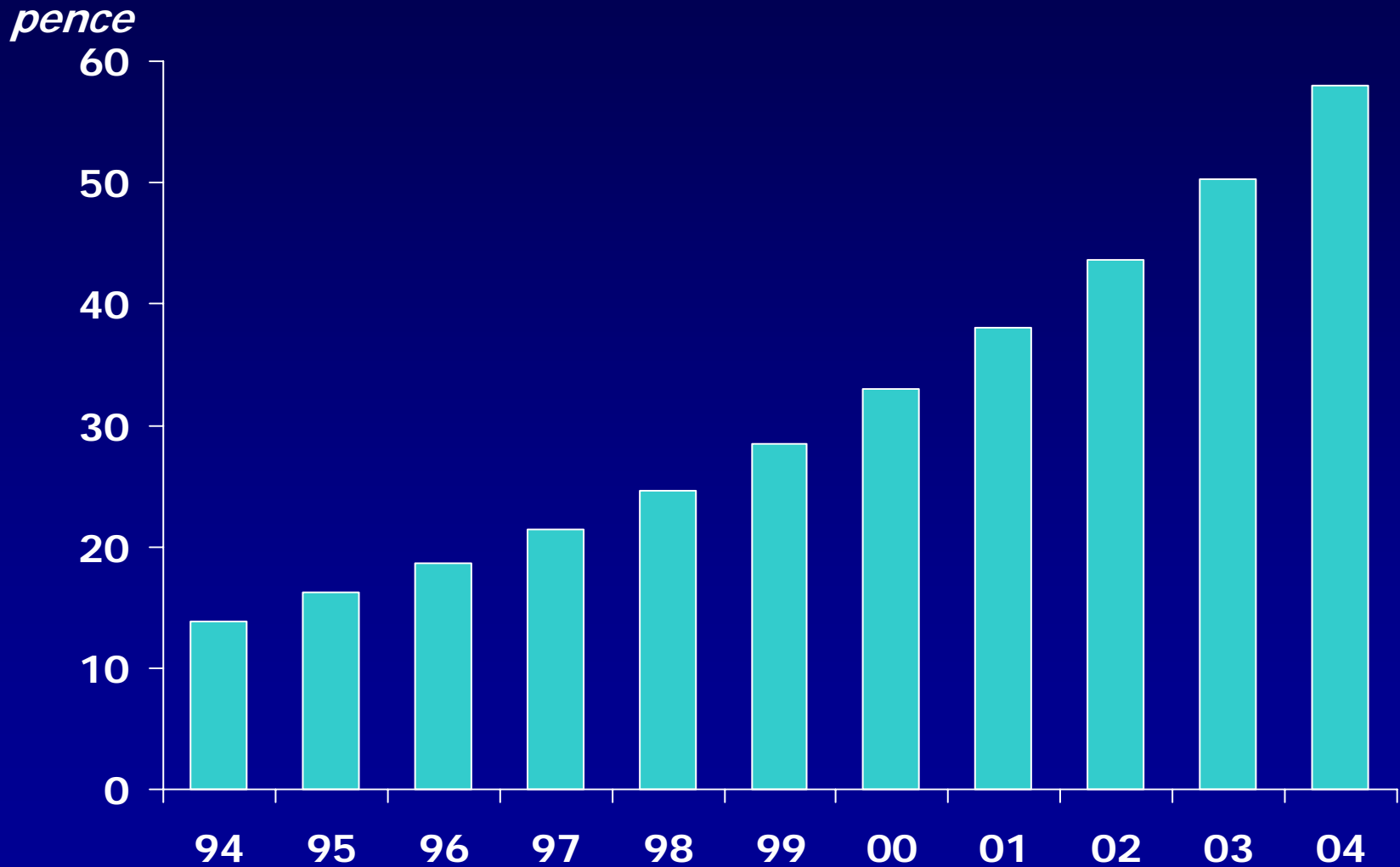
	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>pence</i>	<i>pence</i>	
Basic earnings per ordinary share	138.0	76.9	+79%
Adjusted earnings per ordinary share	172.5	157.2	+10%
Dividends per ordinary share	58.0	50.3	+15%

Adjusted Earnings Per Share



Earnings per share before exceptional items, goodwill amortisation, integration costs and AVS dividends

Dividends Per Share



Dividends per ordinary share, excluding AVS dividends

2004 Results

Agenda

- Group and Divisional Results
- Review and Outlook



The Royal Bank of Scotland Group

Fred Watt
Group Finance Director



Group and Divisional Results

2004 Results

	<i>2004</i> <i>£m</i>	<i>2003</i> <i>£m</i>	<i>Change</i>
Group operating profit	8,101	7,068	+15%
Goodwill amortisation	915	763	+20%
Integration costs	269	229	+17%
Profit before tax	6,917	6,076	+14%

2003 results restated following implementation of FRS17

Group Operating Profit

	<i>2004</i>	<i>2003</i>	<i>Change</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Total income	22,754	19,281	3,473	+18%
Operating expenses	9,662	8,524	1,138	+13%
Income less expenses	13,092	10,757	2,335	+22%
Net insurance claims	3,480	2,195	1,285	+59%
Total provisions	1,511	1,494	17	+1%
Group operating profit	8,101	7,068	1,033	+15%

Income

	<i>2004</i>	<i>2003</i>	<i>Change</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Corporate Banking & Financial Markets	7,509	6,697	812	+12%
Retail Banking	4,742	4,473	269	+6%
Retail Direct	2,129	1,835	294	+16%
Manufacturing	—	—	—	—
Wealth Management	948	809	139	+17%
RBS Insurance	4,934	3,245	1,689	+52%
Ulster Bank	743	581	162	+28%
Citizens	2,141	1,824	317	+17%
Central items	(392)	(183)	(209)	-114%
Total income	22,754	19,281	3,473	+18%

Income Growth

	<i>Change £m</i>	<i>Change</i>
Total income growth	3,473	+18%
Currency impact	443	+2%
Total income adjusted for currency impact	3,916	+20%
Acquisitions	1,912	+9%
Organic growth	2,004	+11%

Net Interest Margin

	<i>2004</i> %	<i>2003</i> %
Group	2.92	2.97
Excluding First Active	2.94	2.97

Net Interest Margin

2003	2.97%
Funding rental assets	-0.03%
Organic mortgage growth	-0.06%
Corporate banking mix	+0.06%
Tightening consumer lending spreads	-0.02%
Higher interest rates	+0.02%
Excluding First Active	2.94%
First Active	-0.02%
2004	2.92%

Net Interest Margin

Directional Impact on Net Interest Margin

- Economic outlook
- Product margins
- Business mix
- Total

Outlook



Expenses

	<i>2004</i>	<i>2003</i>	<i>Change</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Corporate Banking & Financial Markets	2,664	2,322	342	+15%
Retail Banking	1,074	1,030	44	+4%
Retail Direct	712	657	55	+8%
Manufacturing	2,439	2,114	325	+15%
Wealth Management	463	398	65	+16%
RBS Insurance	592	441	151	+34%
Ulster Bank	235	195	40	+21%
Citizens	1,024	879	145	+16%
Central items	459	488	(29)	-6%
Operating expenses	9,662	8,524	1,138	+13%

Expenses Growth

	<i>Change £m</i>	<i>Change</i>
Total expenses growth	1,138	+13%
Currency impact	180	+2%
Total expenses adjusted for currency impact	1,318	+15%
Acquisitions	579	+6%
Organic growth	739	+9%

Cost:Income Ratio

	<i>2004</i> %	<i>2003</i> %
Group, excluding Charter One	40.4	42.0
FRS17 impact	0.2	0.6
	40.6	42.6
Charter One	0.2	–
Now reported	40.8	42.6

Calculated after netting operating lease depreciation against rental income

Provisions

	<i>2004</i> <i>£m</i>	<i>2003</i> <i>£m</i>	<i>Change</i>
Total provisions charge	1,511	1,494	+1%
Total charge as percentage of gross loans and advances to customers*	0.51%	0.64%	

* Excluding reverse repos

Asset Quality

<i>£m</i>	<i>Dec 2004</i>	<i>Jun 2004</i>	<i>Dec 2003</i>
Total provisions	4,222	4,032	3,922
Risk elements in lending and potential problem loans	5,809	5,651	5,748
Risk elements in lending and potential problem loans as a percentage of gross loans and advances to customers	1.66%	1.92%	2.24%
Provisions as a percentage of risk elements in lending and potential problem loans	73%	71%	68%

Group Operating Profit

	<i>2004</i> <i>£m</i>	<i>2003</i> <i>£m</i>	<i>Change</i> <i>£m</i>	<i>Change</i>
Total income	22,754	19,281	3,473	+18%
Operating expenses	9,662	8,524	1,138	+13%
Net insurance claims	3,480	2,195	1,285	+59%
Operating profit before provisions	9,612	8,562	1,050	+12%
Total provisions	1,511	1,494	17	+1%
Group operating profit	8,101	7,068	1,033	+15%

Corporate Banking & Financial Markets

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Net interest income	2,545	2,324	+10%
Non-interest income	4,964	4,373	+14%
Total income	7,509	6,697	+12%
Direct expenses	2,664	2,322	+15%
Contribution before provisions	4,845	4,375	+11%
Provisions	580	755	-23%
Contribution	4,265	3,620	+18%

Corporate Banking & Financial Markets

2004 v 2003 £m *Income Growth Profit Growth*

CBFM excluding dealing income	618	367
Dealing income		
– RBS Greenwich Capital	58	31
– Other Financial Markets	136	72
Growth before bad debt provisions	812	470
Decrease in bad debt provisions		175
Total	812	645

Assuming a cost:income ratio of 47% on dealing income

Retail Banking

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Net interest income	3,112	2,959	+5%
Non-interest income	1,630	1,514	+8%
Total income	4,742	4,473	+6%
Direct expenses	1,074	1,030	+4%
Contribution before provisions	3,668	3,443	+7%
Provisions	389	273	+42%
Contribution	3,279	3,170	+3%

2003 restated following transfer of certain activities from Wealth Management

Retail Banking

<i>Spot</i>	<i>2004 £bn</i>	<i>2003 £bn</i>	<i>Growth £bn</i>
Mortgages	44.1	36.6	7.5
Small business lending	15.2	13.8	1.4
Consumer lending	12.9	11.4	1.5

Mortgage Statistics

Loan to value – stock	46%	48%
Loan to value – new business	65%	70%

Retail Direct

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Net interest income	938	849	+10%
Non-interest income	1,191	986	+21%
Total income	2,129	1,835	+16%
Direct expenses	712	657	+8%
Contribution before provisions	1,417	1,178	+20%
Provisions	377	297	+27%
Contribution	1,040	881	+18%

2003 restated following transfer of certain activities to Manufacturing

Manufacturing

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Group Technology	807	686	+18%
Group Purchasing and Property Operations	854	718	+19%
Customer Support and other operations	778	710	+10%
Total Manufacturing costs	2,439	2,114	+15%

2003 restated following transfer of certain activities from other divisions

Wealth Management

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Net interest income	497	457	+9%
Non-interest income	451	352	+28%
Total income	948	809	+17%
Expenses	463	398	+16%
Contribution before provisions	485	411	+18%
Provisions	17	9	+89%
Contribution	468	402	+16%

2003 restated following transfer of certain activities to Retail Banking and Manufacturing

RBS Insurance

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Insurance premium income	4,944	3,123	+58%
Net fees and commissions	(488)	(161)	
Other income	478	283	+69%
Total income	4,934	3,245	+52%
Expenses	592	441	+34%
Net claims	3,480	2,195	+59%
Contribution	862	609	+42%

2003 restated following transfer of certain activities to Manufacturing and to recognise a reclassification of income from net fees and commissions to insurance premium income

RBS Insurance

<i>Excluding Churchill</i>	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Insurance premium income	2,856	2,443	+17%
Net fees and commissions	(63)	(13)	
Other income	321	234	+37%
Total income	3,114	2,664	+17%
Expenses	403	366	+10%
Net claims	2,083	1,743	+20%
Contribution	628	555	+13%

2003 restated following transfer of certain activities to Manufacturing and to recognise a reclassification of income from net fees and commissions to insurance premium income

RBS Insurance

<i>Contribution from Churchill</i>	<i>2004</i>
	<i>£m</i>
Included in RBS Insurance	234
IT and property costs included in Manufacturing	(96)
Net contribution to Group	138

Ulster Bank

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Net interest income	550	396	+39%
Non-interest income	193	185	+4%
Total income	743	581	+28%
Expenses	235	195	+21%
Contribution before provisions	508	386	+32%
Provisions	40	32	+25%
Contribution	468	354	+32%

2003 restated following transfer of certain activities to Manufacturing

Ulster Bank

<i>Excluding First Active Acquisition and NCB Stockbrokers Disposal</i>	<i>2004 £m</i>	<i>2003 £m</i>	<i>Change</i>
Net interest income	447	396	+13%
Non-interest income	178	168	+6%
Total income	625	564	+11%
Expenses	194	180	+8%
Contribution before provisions	431	384	+12%
Provisions	36	32	+13%
Contribution	395	352	+12%

2003 restated following transfer of certain activities to Manufacturing

Citizens

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	
Net interest income	1,540	1,310	+18%
Non-interest income	601	514	+17%
Total income	2,141	1,824	+17%
Expenses	1,024	879	+16%
Contribution before provisions	1,117	945	+18%
Provisions	80	88	-9%
Contribution	1,037	857	+21%

Citizens

	<i>2004</i>	<i>2003</i>	<i>Change</i>
	<i>\$m</i>	<i>\$m</i>	
Net interest income	2,821	2,143	+32%
Non-interest income	1,102	841	+31%
Total income	3,923	2,984	+31%
Expenses	1,877	1,438	+31%
Contribution before provisions	2,046	1,546	+32%
Provisions	146	145	+1%
Contribution	1,900	1,401	+36%

Citizens

<i>Excluding Acquisitions</i>	<i>2004</i> <i>\$m</i>	<i>2003</i> <i>\$m</i>	<i>Change</i>
Net interest income	2,352	2,124	+11%
Non-interest income	856	838	+2%
Total income	3,208	2,962	+8%
Expenses	1,525	1,430	+7%
Contribution before provisions	1,683	1,532	+10%
Provisions	113	145	-22%
Contribution	1,570	1,387	+13%

Group Operating Profit

	<i>2004</i> <i>£m</i>	<i>2003</i> <i>£m</i>	<i>Change</i> <i>£m</i>	<i>Change</i>
Corporate Banking & Financial Markets	4,265	3,620	645	+18%
Retail Banking	3,279	3,170	109	+3%
Retail Direct	1,040	881	159	+18%
Manufacturing	(2,439)	(2,114)	(325)	-15%
Wealth Management	468	402	66	+16%
RBS Insurance	862	609	253	+42%
Ulster Bank	468	354	114	+32%
Citizens	1,037	857	180	+21%
Central items	(879)	(711)	(168)	-24%
Group operating profit	8,101	7,068	1,033	+15%

Group Operating Profit

<i>At Constant Exchange Rates and Excluding Acquisitions</i>	<i>Change £m</i>	<i>Change</i>
Total income	2,004	+11%
Operating expenses	739	+9%
Income less expenses	1,265	+12%
Net insurance claims	340	+20%
Total provisions	(36)	-2%
Group operating profit	961	+14%

Earnings Per Share

	<i>2004</i> <i>pence</i>	<i>2003</i> <i>pence</i>	<i>Change</i>
Basic earnings per share	138.0	76.9	+79%
Goodwill amortisation	28.7	25.0	
Integration costs	5.8	5.4	
AVS dividend	–	49.9	
Adjusted earnings per share	172.5	157.2	+10%
Dividend per share	58.0	50.3	+15%
Dividend cover	2.9x	3.1x	

Dividend cover before goodwill amortisation, integration costs and AVS dividend

Capital Ratios

	<i>Dec 2004 %</i>	<i>Dec 2003 %</i>
Tier 1	7.0	7.4
Total Capital	11.7	11.8



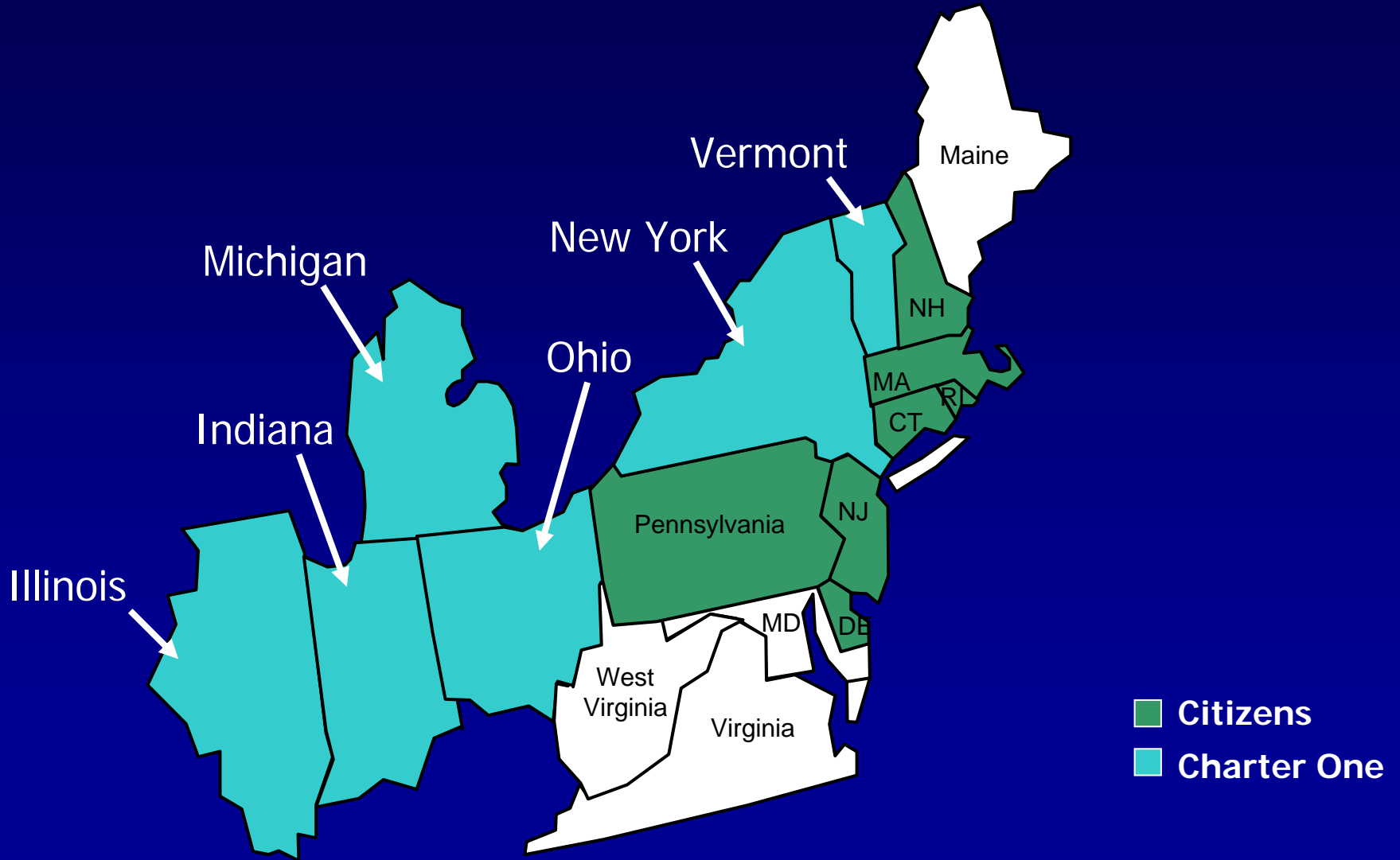
The Royal Bank of Scotland Group

Sir Fred Goodwin
Group Chief Executive



Charter One Update

Charter One



Opportunities for Organic Growth

	<i>Households 000s</i>
■ Citizens states	
– New England	4,767
– Mid-Atlantic	4,837
■ Charter One states	
– Midwest	15,490
– Northeast	3,416

Opportunities for Organic Growth

	<i>Population (m)</i>	<i>Total Deposits \$bn</i>	<i>Forecast H'hold Income Growth (04-09)</i>
<i>Midwest</i>			
Chicago, Illinois	9.4	220.5	13.2%
Detroit, Michigan	4.5	76.2	11.5%
Cleveland, Ohio	2.1	62.2	11.0%
Indianapolis, Indiana	1.6	23.7	13.4%

*Deposits exclude Credit Unions
Source: SNL Datasource*

Opportunities for Organic Growth

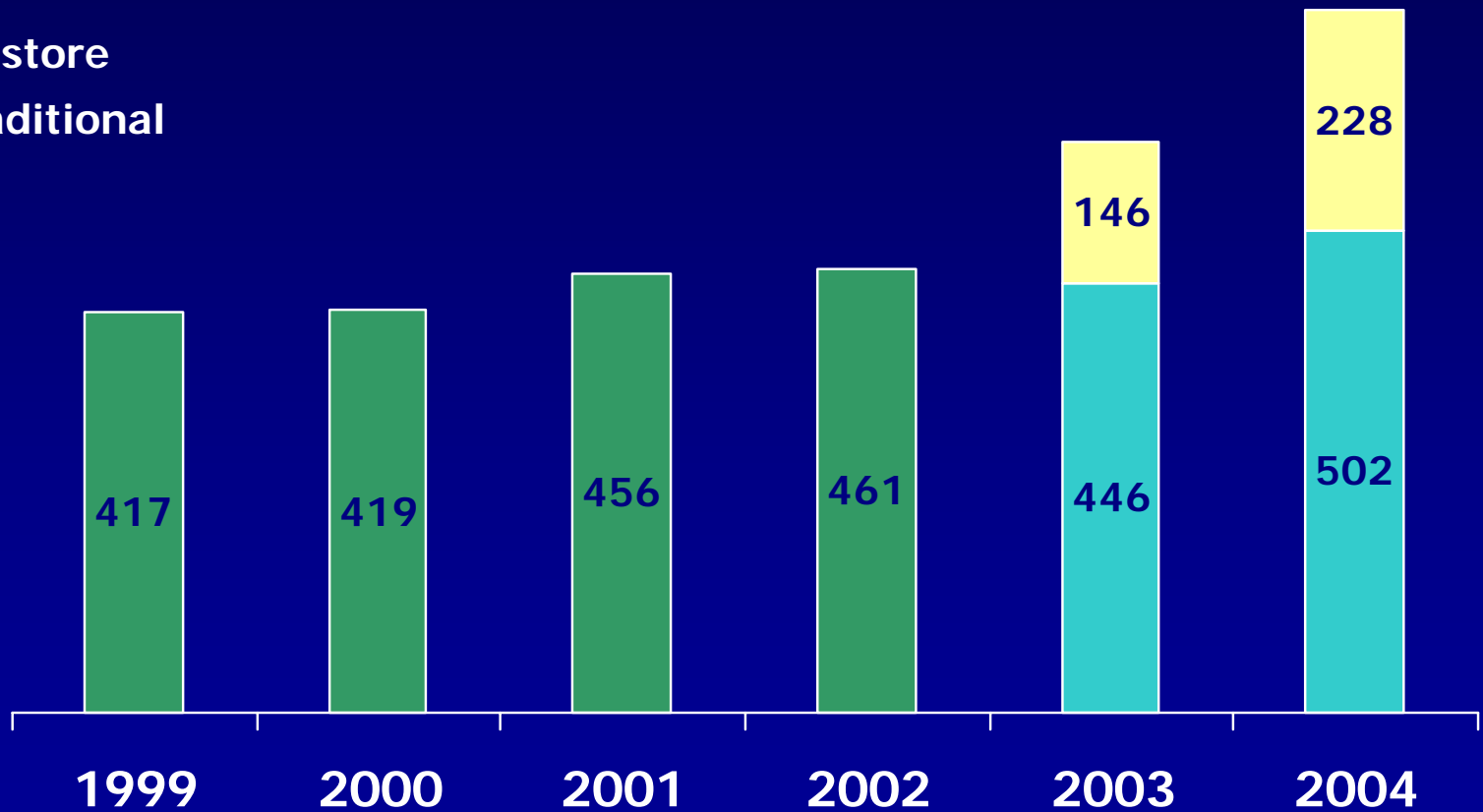
<i>Mkt Share Deposits</i>	<i>Ohio</i>	<i>Illinois</i>	<i>Michigan</i>
1.	16%	13%	15%
2.	13%	10%	14%
3.	12%	8%	14%
4.	8%	3%	9%
5.	7%	3%	7%
6.	5%	2%	5%
7.	4%	2%	4%
8.	4%	2%	4%
9.	4%	2%	3%
10.	3%	2%	2%
11.	2%	2%	2%
12.	2%	2%	2%
13.	1%	1%	1%
14.	1%	1%	1%
15.	1%	1%	1%

Source: SNL Datasource

Charter One

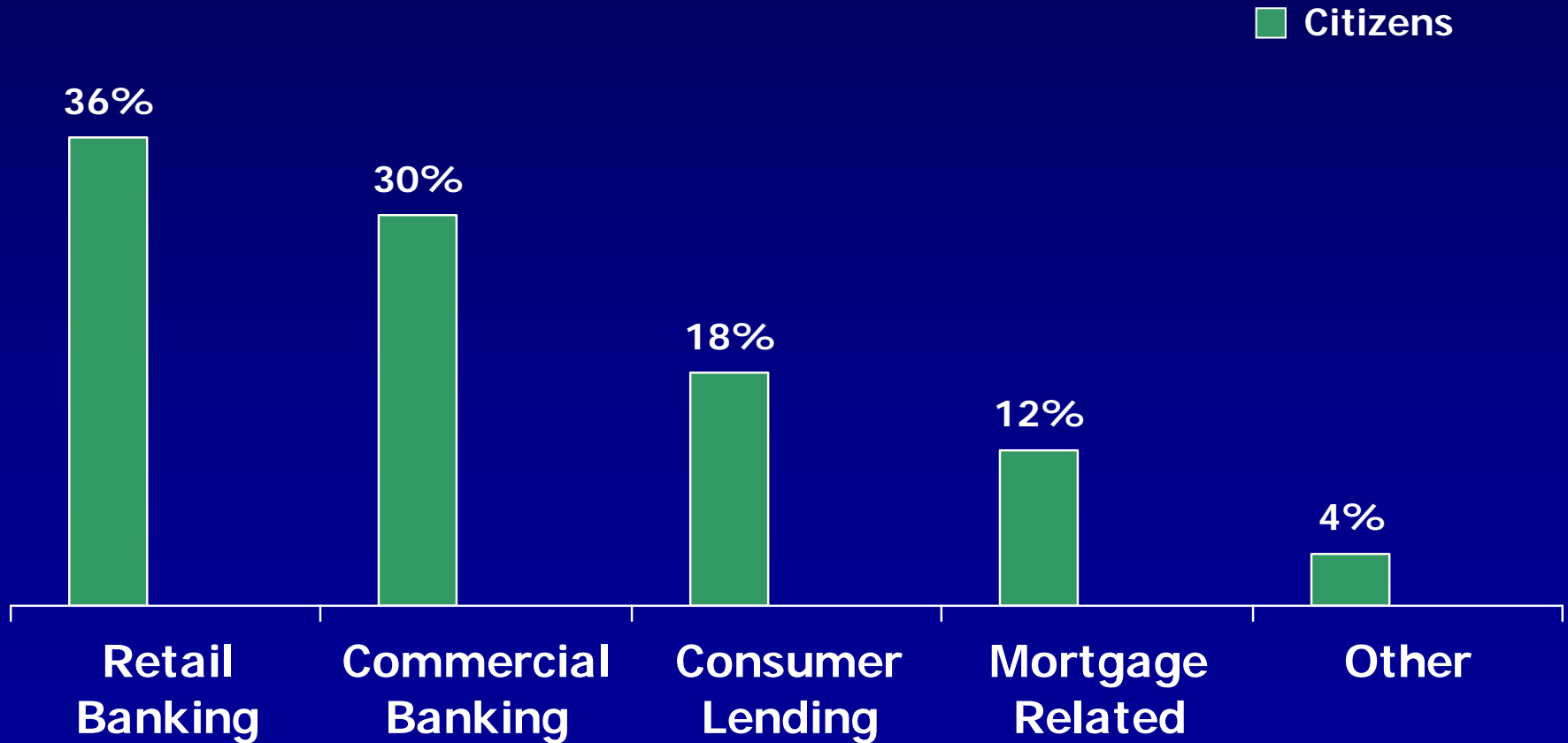
Branches

- In-store
- Traditional



Citizens

Distribution of 2004 Income by Activity

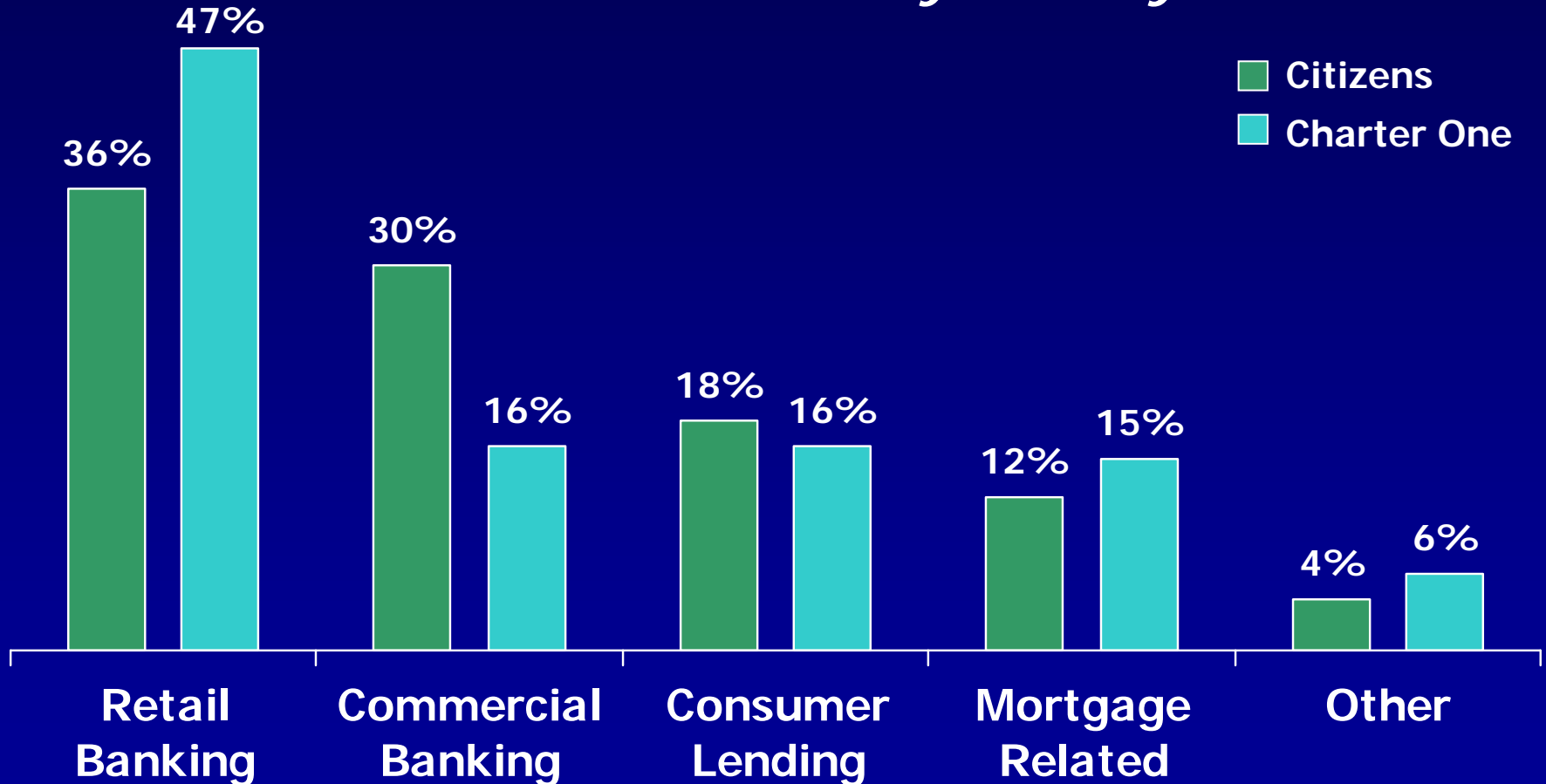


Citizens income 2004

Retail banking includes deposits and fees, commercial banking includes loans, deposits and fees

Citizens and Charter One

Distribution of 2004 Income by Activity



Citizens: 2004 income, Charter One: Sep-Dec 2004 income

Retail banking includes deposits and fees, commercial banking includes loans, deposits and fees

US Mortgage Banking

<i>2004 \$bn</i>	<i>Mortgage Loans</i>	
	<i>Originated</i>	<i>Serviced</i>
Washington Mutual	161.4	551.2
National City	60.7	158.4
ABN AMRO US	50.5	206.0
Citizens	1.6	2.3
Charter One	4.4	28.3
Citizens + Charter One	6.0	30.6

Source: Washington Mutual 10Q 30 Sep 04, National City 10Q 30 Sep 04, ABN AMRO Q4 and Q1 results 04

Charter One

	<i>Sep-Dec 2004</i>	<i>Annualised</i>
	<i>\$m</i>	<i>Sep-Dec 2004</i>
		<i>\$m</i>
Total income	640	1,920
Expenses	325	975
Provisions	30	90
Operating profit	285	855

- Underlying income up by 12% in 2004

Charter One

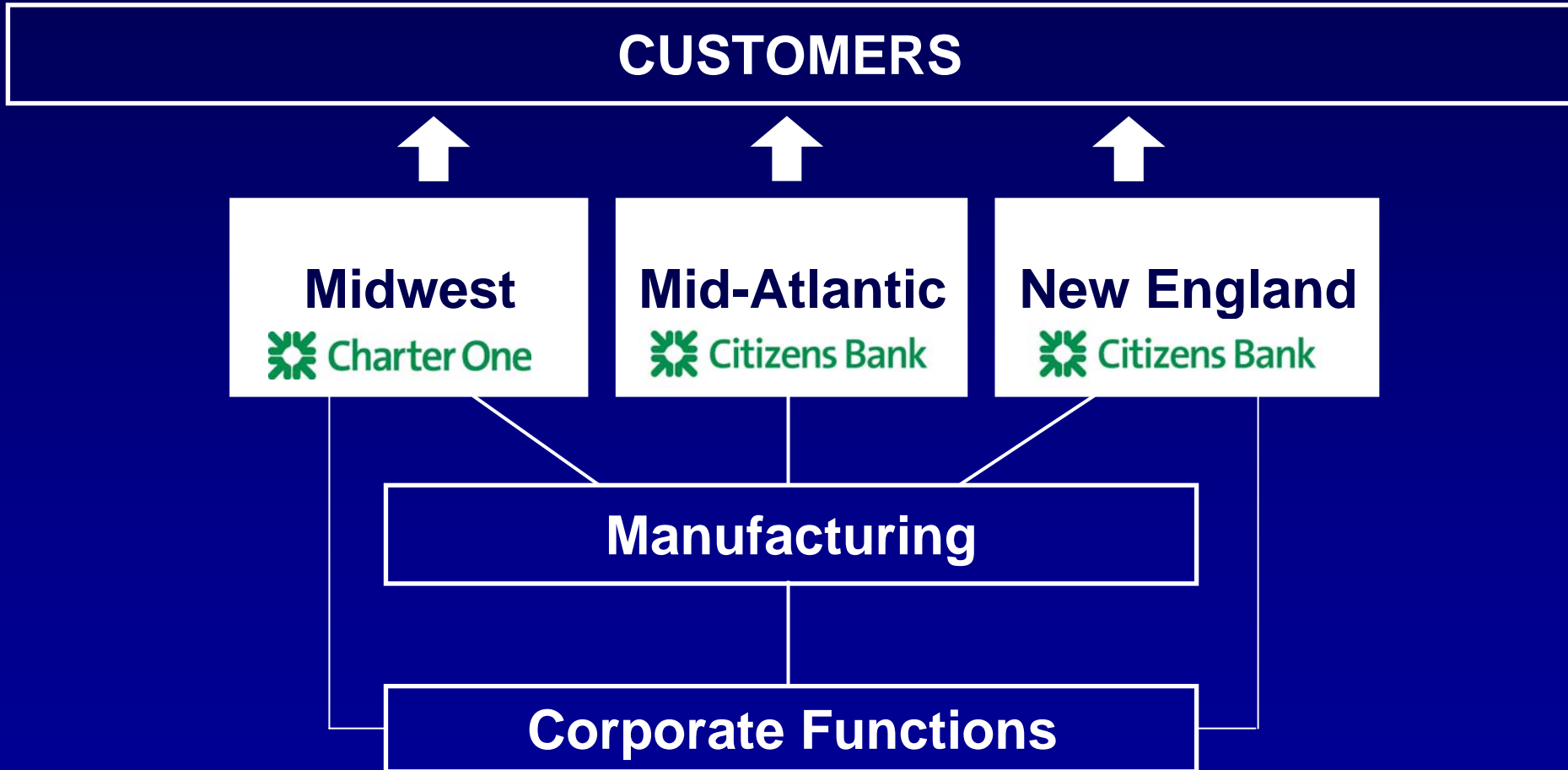
	<i>2004</i> <i>\$bn</i>	<i>2003</i> <i>\$bn</i>	<i>Change</i>
Consumer loans	14.3	12.6	+13%
Mortgage loans	11.3	10.7	+6%
Commercial loans	6.8	5.5	+24%
Loans and advances	32.4	28.8	+13%
Current accounts/savings	19.3	16.9	+14%
Certificates of deposit	9.8	10.3	-5%
Deposits	29.1	27.2	+7%

At 31 December, US GAAP

Transaction Benefits

	<i>Contribution to Profit Before Tax in 2007 \$m</i>
Revenue benefits	222
Cost savings	185
Total	407

Business Architecture



Charter One

Progress

Restructure balance sheet



Restructure executive management



Combine central functions



Charter One

Personal Customers

Open new branches

Introduce Citizens sales process and incentive programme

Introduce Citizens relationship products

Achieve broader product penetration of Charter One current account customers

Progress



Small Business Customers

Recruit 150 additional business bankers

Centralise underwriting of small business loans

Expand small business product set

Increase penetration of small businesses in Charter One footprint



Charter One

Mid-Corporate Customers

Recruit state presidents

Recruit 295 additional corporate bankers

Offer range of products provided by Citizens and RBS

Increase penetration of mid-corporates in Charter One footprint

Progress



Technology

Design and plan IT conversion

Convert branch systems

Convert auto loan processing systems



Charter One

Summary

- Initial performance good
- Integration fully on track
- No negative surprises
- So far, so good

Acquisitions

	<i>IT Migration v Plan</i>	<i>Transaction Benefits v Plan</i>
Charter One	✓	✓
First Active	✓	✓
Churchill	✓	✓

- Underlying performance good



Capital

Capital

Returning Capital to Shareholders

- Our business generates capital
- We are committed to capital efficiency
- Returning capital to shareholders is a path we are happy to follow (eg AVSs)
- We actively consider share buy-backs
- Consideration conditioned by
 - Strategic position
 - Capital position

Capital

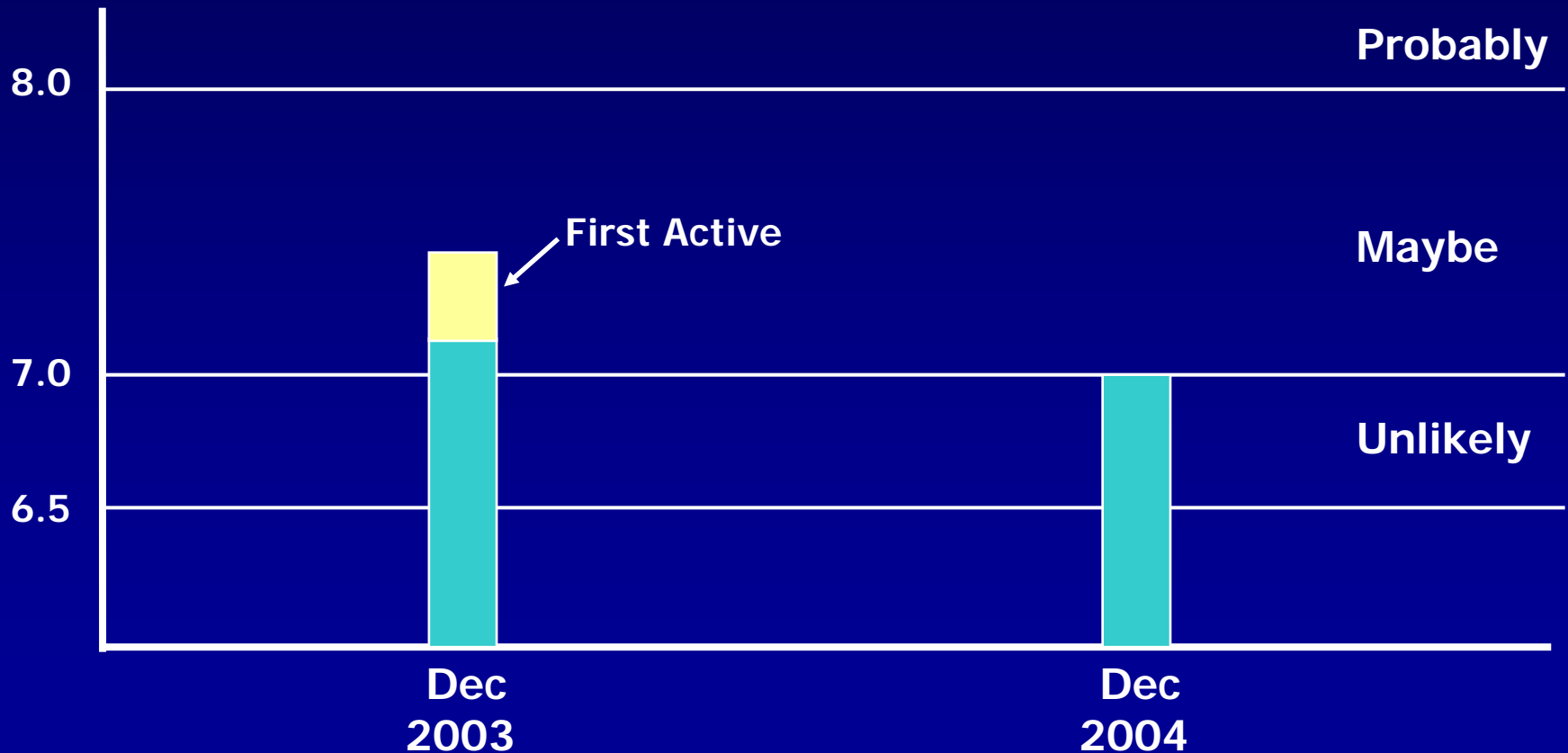
*Tier 1
Capital Ratio
%*

Buy-back

Probably

Maybe

Unlikely





Strategy

Strategy

Strategy as at 2000

United Kingdom + Ireland

Slide 25

Options for Additional Growth

- Organic growth
 - Retail Banking ✓✓✓
 - Corporate Banking and Financial Markets ✓✓
 - Retail Direct ✓✓
 - Wealth Management ✓
 - Direct Line ✓
 - Ulster Bank ✓
- Acquisitions
 - Tactical ✓
 - Strategic –

Continental Europe

Slide 26

Options for Additional Growth

- Organic growth
 - Retail Banking X
 - Corporate Banking and Financial Markets ✓✓
 - Retail Direct ✓✓
 - Wealth Management –
 - Direct Line ✓
- Joint ventures ✓✓
- Acquisitions of businesses ✓✓
- Acquisitions of universal banks X
- Merger of equals X

United States

Slide 27

Options for Additional Growth

- Organic growth
 - Citizens ✓
 - Corporate Banking and Financial Markets ✓
- Acquisitions of businesses ✓
- Acquisitions of banks
 - In-market ✓
 - Market extension ✓✓
 - Out of market –

Strategy

Themes

- Achieve organic income growth
- Diversify income
 - By type
 - By geography
- Improve efficiency

Income Growth

Income Growth 2000 – 2004

	<i>Pro forma 1999</i>	<i>2004</i>	<i>Change</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Total income	11,065	22,754	11,689	+106%

Income Growth – World Banks

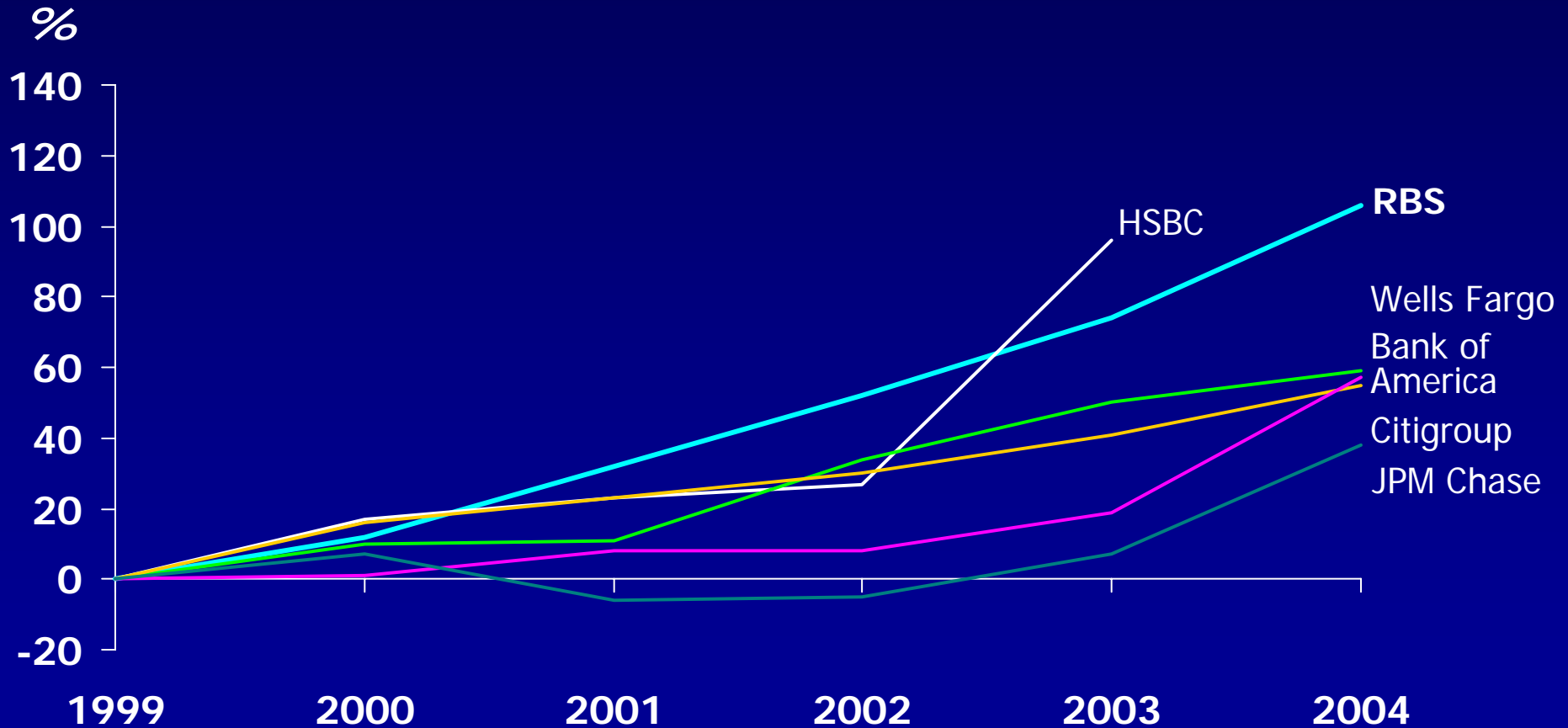
Income Growth 2000 – 2004

RBS	+106%
Citigroup	+55%
Bank of America	+57%
HSBC	<i>results not yet reported</i>
JPMorgan Chase	+38%
Wells Fargo	+59%

Income as reported by banks in US dollars, except RBS which reports in sterling

Income Growth – World Banks

Income Growth 2000 – 2004



Income as reported by banks in US dollars, except RBS which reports in sterling

Acquisitions

<i>During last 5 Years</i>	<i>Transactions</i>	<i>Value \$bn</i>
Citigroup	63	72.9
JPMorgan Chase	13	57.2
Bank of America	8	51.7
HSBC	65	36.0
RBS	25	18.9
Wachovia	7	14.7
UBS	32	13.3
Barclays	14	11.4
BNP Paribas	38	6.6
Wells Fargo	46	6.3

Source: Dealogic/UBS

Income Growth

Income Growth 2000 – 2004

	<i>Pro forma 1999</i>	<i>2004</i>	<i>Change</i>	<i>Change</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Total income	11,065	22,754	11,689	+106%

Components of Income Growth

	<i>£m</i>	<i>% Total</i>
NatWest transaction benefits	890	7%
Acquisitions	3,837	33%
Organic growth	6,962	60%
Total	11,689	100%

Diversify Income – By Type

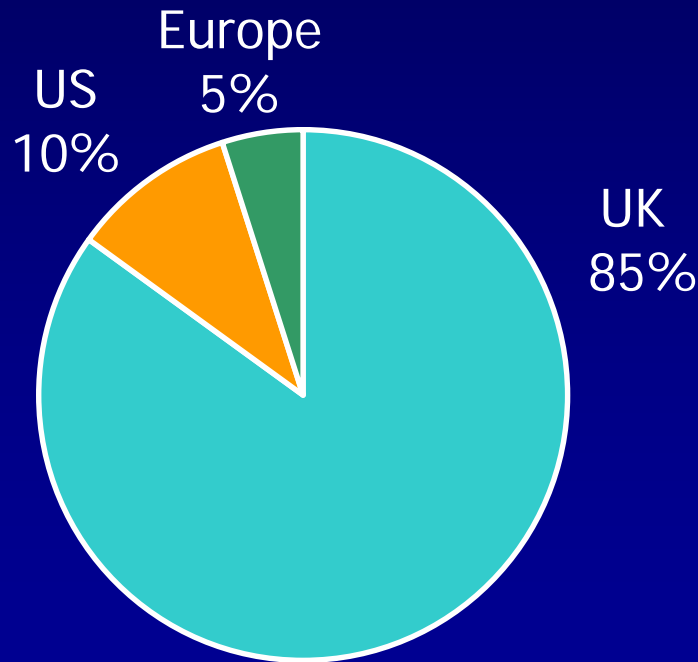
<i>Non-Interest Income</i>	<i>% of Total Income</i>	
	<i>1999</i>	<i>2004</i>
Net fees and commissions	26%	21%
– Money transmission and lending	12%	11%
– Cards related	5%	4%
– Other	9%	6%
General insurance premium income	7%	22%
Dealing profits (before associated costs)	9%	9%
Other operating income	10%	8%
Non-interest income % total income	52%	60%

Diversify Income – By Type

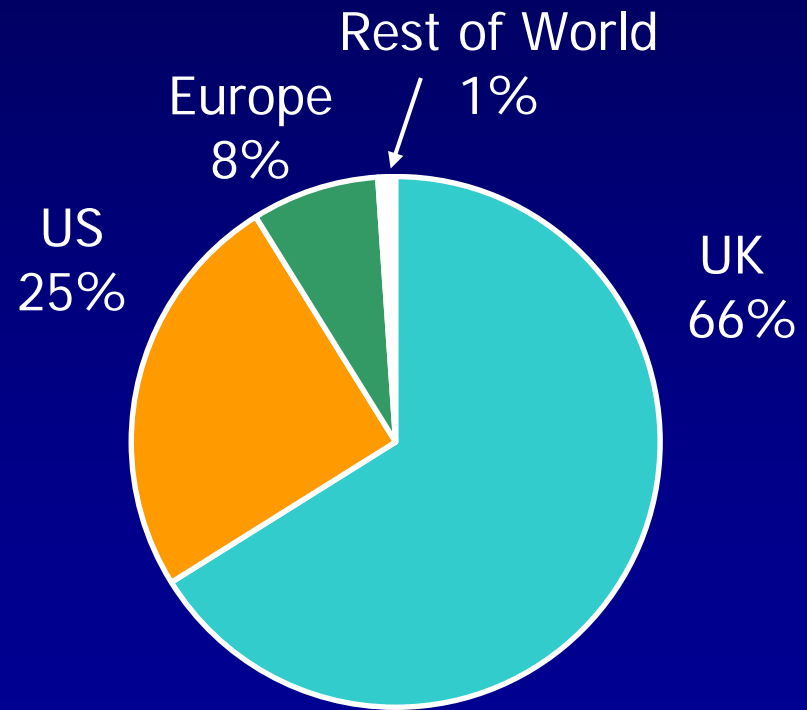
<i>Net Interest Income</i>	<i>% of Total Income</i>	
	<i>1999</i>	<i>2004</i>
Personal deposits	14%	10%
Personal lending	9%	12%
Business deposits	10%	7%
Business lending	15%	11%
Net interest income % total income	48%	40%

Diversify Income – By Geography

*1999 Operating Profit
Pro forma*



*2004 Operating Profit
Charter One Pro forma*



Diversify Income – By Geography

<i>Income Growth</i>	<i>2004 £m</i>	<i>2003 £m</i>	<i>Change</i>
UK	17,519	15,099	+16%
Ireland	706	518	+36%
Continental Europe	843	554	+52%
United States	3,472	2,882	+20%
Rest of World	214	228	-6%
Total income	22,754	19,281	+18%

2003 restated for FRS17 and definitional changes

Diversify Income – By Geography

<i>Income Growth in Local Currency</i>	<i>2004</i>	<i>2003</i>	<i>Change</i>
UK (£m)	17,519	15,099	+16%
Ireland (€m)	1,040	749	+39%
Continental Europe (€m)	1,242	801	+55%
United States (\$m)	6,362	4,713	+35%
Rest of World (\$m)	392	373	+5%
Total income adjusted for currency impact			+20%

Improve Efficiency

	<i>Pro forma 1999</i> <i>£m</i>	<i>2004</i> <i>£m</i>	<i>Change</i> <i>£m</i>	<i>Change</i>
Total income	11,065	22,754	11,689	+106%
Operating expenses	6,563	9,662	3,099	+47%
Cost:income ratio	57.8%	40.8%		

Cost:income ratio calculated after netting operating lease depreciation against rental income

Strategy

Themes

- Achieve organic income growth ✓
- Diversify income ✓
 - By type
 - By geography
- Improve efficiency ✓

Strategy

Summary

- Strategy has produced results
- Strategy has evolved
- Continues to produce results
- Needs to continue to evolve

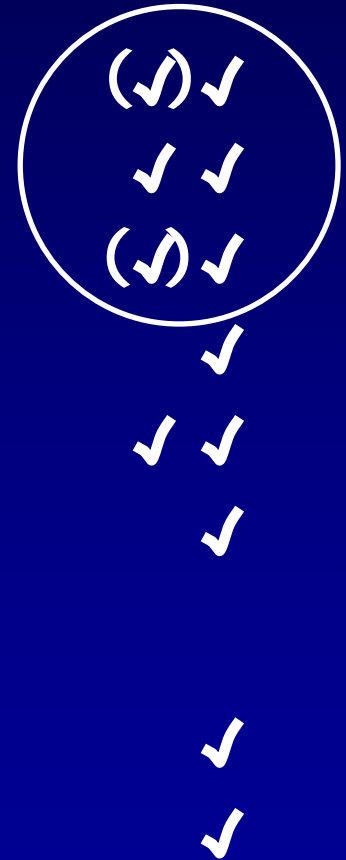
Options for Additional Growth

Health Warning

- Ticks based on subjective assessment of size, attractiveness and “do-ability”
- Options are conditioned by opportunities
- World can change – and does change
- These are options – not promises!

Options for Additional Growth United Kingdom + Ireland

- Organic growth
 - Retail Banking
 - Corporate Banking & Financial Markets
 - Retail Direct
 - Wealth Management
 - RBS Insurance
 - Ulster Bank
- Acquisitions
 - Tactical
 - Strategic



Options for Additional Growth Continental Europe

- Organic growth
 - Retail Banking X
 - Corporate Banking & Financial Markets ✓ ✓
 - Retail Direct ✓ ✓
 - Wealth Management –
 - RBS Insurance ✓
- Joint ventures ✓
- Acquisitions of businesses ✓ ✓
- Acquisitions of universal banks ?
- Merger of equals X

Options for Additional Growth United States

■ Organic growth

- Citizens
- Corporate Banking & Financial Markets



■ Acquisitions of businesses



■ Acquisitions of banks













- In-market
- Market extension
- Out of market



Options for Additional Growth Asia

- Organic growth
 - Corporate Banking & Financial Markets ✓
 - Wealth Management ✓
- Joint ventures ✓

Economic Outlook

	<i>Interest Rates</i>	<i>Economic Growth</i>	<i>Sentiment</i>
UK			
US			
Europe			
Asia			

2004 Results

Summary

- Strong, well diversified income growth
- Improved contributions from all divisions
- Further improvement in efficiency
- Recent acquisitions performing well
- Integration of recent acquisitions fully on track
- Well placed to participate in growth in all the economies in which we operate



2004 Results

24 February 2005



The Royal Bank of Scotland Group

Make it happen

strength

diversity

flexibility