Consistent Progress

Q1 2011 Results

6th May 2011

RBS
The Royal Bank of Scotland Group

Important Information

Certain sections in this presentation 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’, ‘believes’, ‘should’, ‘intend’, ‘plan’, ‘could’, ‘probability’, ‘risk’, ‘Value-at-Risk (VaR)’, ‘target’, ‘goal’, ‘objective’, ‘will’, ‘endeavour’, ‘outlook’, ‘optimistic’, ‘prospects’ and similar expressions or variations on such expressions.

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Business Achievements Q1 11

Core momentum continues

- Income growth of 6% q-o-q
- Operating profit +25% q-o-q

Under-performing units showing improvement

- US R&C continues its trajectory of improved operating performance, +$66m y-o-y
- RBS Insurance returns to profitability, +£117m y-o-y

Non-Core progressing ahead of plan

- TPAs reduced by a further £13bn (9%) to £125bn q-o-q
- Impairments declined 11% q-o-q despite increased provisions at Ulster Bank

Capital & funding position further strengthened

- Core Tier 1 Ratio increased to 11.2%, +50bps q-o-q, primarily reflecting a reduction in Non-Core RWAs (CT1 ex APS 9.9%)
- Group LDR improved from 117% to 115% q-o-q, Core remains at 96%

Financial Highlights Q1 11

Core Business:		
Operating profit[1]	£2.1bn (+25%)[3]	UK Corporate and GBM driving performance, RBS Insurance profitable
Return on Equity[1,2]	15% (+300bps)[3]	Core RoE growth driven by UK Corporate, GBM & RBS Insurance
R&C NIM	3.27% (+6bps)[3]	Asset margins broadly flat; benefits from UK Corporate NIM growth
Cost : income ratio[1,4]	56.2% (-190bps)[3]	Costs flat y-o-y, investment programme on track
Impairments	£872m (-6%)[3]	General improvement across the board, except Ulster Bank
Loan : deposit ratio[5]	96%	Stable quarter-on-quarter, better than 100% target

Group Progress:		
Operating profit	£1,053m (vs £55m)[3]	Reduced Non-Core losses
Funded assets[6]	£1,052bn (-6% y-o-y)	Modest growth in R&C
Non-Core run-down	£125bn, (-52% vs FY08)	On target to be <10% of Group assets by FY11, down £13bn in Q1
Capital strength	11.2% CT1 (+50bps)[3]	Robust capital position, benefitting from Non-Core RWA reduction

[1] Excluding Fair Value of Own Debt (FVoD). [2] Equity allocated based on share of Group tangible equity. [3] Versus Q410. [4] Adjusted C:I ratio net of insurance claims. [5] Net of provisions. [6] Third party assets excluding derivatives.

Tracking Well to Plan Targets

Group – Key performance indicators	Worst point	Q4 10 Actual	Q1 11 Actual	2013 Target
Loan : deposit ratio (net of provisions)	154%[1]	117%	115%	c100%
Short-term wholesale funding[2]	£297bn[3]	£129bn	£145bn	<£125bn
Liquidity portfolio[4]	£90bn[3]	£155bn	£151bn	c£150bn
Leverage ratio[5]	28.7x[6]	16.8x	17.4x	<20x
Core Tier 1 Capital ratio	4%[7]	10.7%	11.2%	>8%[15]
Return on Equity (RoE)	(31%)[8]	Core 12%[9,10]	Core 15%[9,10]	Core >15%
Cost : income ratio[12]	97%[11]	Core 58%[10]	Core 56%[10]	Core <50%

Divisions – Key performance indicators	Worst point	Q4 10 Actual	Q1 11 Actual	2013 Target
Retail & Commercial:				
RoE	7%[13]	11%	11%	>20%
Cost : income ratio[12]	60%[13]	54%	55%	c45%
Loan : deposit ratio[14]	99%[3]	86%	87%	<90%
GBM:				
RoE	(9%)[3]	10%	21%	>15%
Cost : income ratio[12]	169%[3]	67%	55%	c.55%
Non-Core:				
Third Party Assets	£258bn[3]	£138bn	£125bn	£20-40bn

[1] As at October 2008 [2] Amount of unsecured wholesale funding under 1 year including bank deposits <1 year, excluding derivatives collateral. [3] As of December 2008 [4] Eligible assets held for contingent liquidity purposes including cash, government issued securities and other securities eligible with central banks. [5] Funded tangible assets divided by Tier 1 Capital. [6] As of June 2008 [7] As of 1 January 2008. [8] Group return on tangible equity for 2008 [9] Indicative: Core attributable profit taxed at 28% on attributable core average tangible equity (c75% of Group tangible equity based on RWAs). [10] Excluding fair value of own debt (FVoD). [11] 2008. [12] Adjusted cost:income ratio net of insurance claims. [13] As of December 2009. [14] Net of provisions. [15] Under review.

Financial Performance

RBS
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Group Financial Highlights

	Q111 £m	Q410 £m	Q111 vs Q410 %	Q111 vs Q110 %
Income	8,033	7,459	8%	(12%)
Operating expenses	(4,121)	(4,081)	1%	(7%)
Claims	(912)	(1,182)	(23%)	(20%)
Operating profit before impairment losses	**3,000**	**2,196**	**37%**	**(16%)**
Impairment losses	(1,947)	(2,141)	(9%)	(27%)
Operating profit/(loss)	**1,053**	**55**	**n.m.**	**19%**
Other[1]	(1,169)	(63)	n.m.	32%
Profit/(loss) before tax	(116)	(8)	n.m.	n.m.
Attributable profit/(loss)	(528)	12	n.m.	n.m.
Net interest margin	**2.03%**	**2.02%**	**1bp**	**8bps**
Adjusted cost:income ratio[2]	**58%**	**65%**	**(710bps)**	**240bps**

Capital & Balance Sheet	31 Mar 11	31 Dec 10	Change	31 Mar 10	Change
Funded balance sheet	**£1,052bn**	**£1,026bn**	**3%**	**£1,121bn**	**(6%)**
Risk-weighted assets (pre APS)	**£538bn**[3]	**£571bn**[3]	**(6%)**	**£586bn**[3]	**(8%)**
Core tier 1 ratio	**11.2%**	**10.7%**	**50bps**	**10.6%**	**60bps**
Net tangible equity per share	**50.1p**	**51.1p**	**(2%)**	**51.5p**	**(3%)**

[1] Includes fair value of own debt (FVoD), restructuring & integration costs, APS CDS movements fair value of own debt changes, amortisation of intangibles, strategic disposals. See slide 8.
[2] Calculated using income net of insurance claims. [3] Excludes £98bn RWA relief of APS at 31st March 2011, £106bn at 31st December 2010, £125bn at 31st March 2010.

Net Interest Income

Net Interest Income

£m	Q110	Q210	Q310	Q410	Q111	Q-o-Q
Reported NII	3,534	3,684	3,404	3,578	3,302	*(8%)*
NII for NIM calculation	3,447	3,567	3,459	3,365	3,289	*(2%)*
R&C NII	2,559	2,731	2,803	2,818	2,812	*(0%)*
Group AIEA[1]	717.9	704.3	676.3	661.4	658.6	*(0%)*
R&C AIEA[1]	344.7	351.7	347.5	348.3	348.7	*0%*

- 2% reduction in NII largely reflects lower number of days in Q111 and incremental funding and liquidity costs
- R&C NII flat q-o-q reflecting fewer days; up 10% vs Q110

NIM[2]

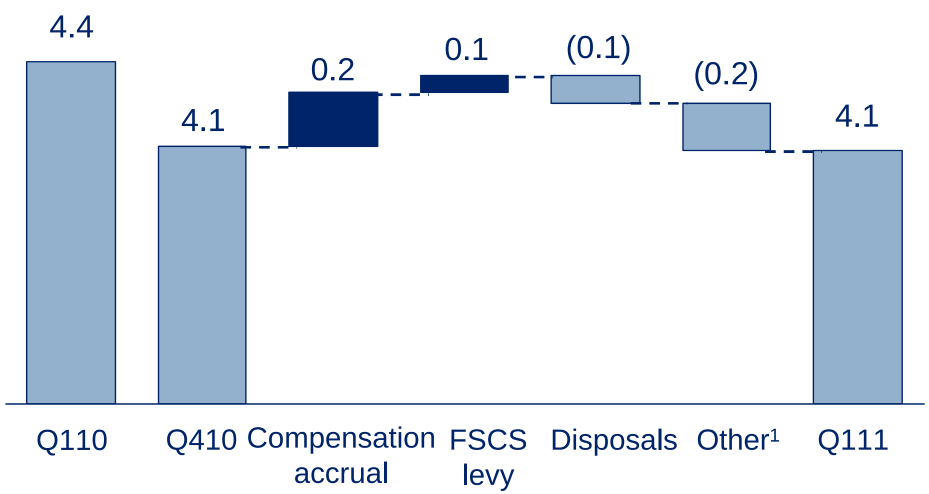
	Q110	Q210	Q310	Q410	Q111	Q-o-Q
Group, %	1.95	2.03	2.03	2.02	2.03	*1bp*
R&C, %	3.01	3.11	3.20	3.21	3.27	*6bps*
GBM, %	1.13	1.01	1.13	0.93	0.76	*(17bps)*
Non-Core, %	1.27	1.23	1.04	1.09	0.90	*(19bps)*

- Improving asset margins in R&C, +6bps
- Tighter margins on GBM portfolio assets
- Negative impact from Group term funding & liquidity programmes (3bps)

[1] Average Interest Earning Assets, £bn. [2] Days basis

Group Operating Expenses

Operating expenses, Q410-Q111, £bn



Operating expenses, Q111 vs Q110

	Q111 £m	Q410 £m	Q110 £m	Q111 vs Q410	Q111 vs Q110
Staff costs	2,320	2,059	2,553	13%	(9%)
Premises & equipment	556	636	528	(13%)	5%
Other	865	938	935	(8%)	(7%)
Administrative expenses	**3,741**	**3,633**	**4,016**	**3%**	**(7%)**
Depreciation & amortisation	380	448	414	(15%)	(8%)
Operating expenses	**4,121**	**4,081**	**4,430**	**1%**	**(7%)**

- Operating expenses flat q-o-q, down 7% y-o-y
- Ongoing benefits of business cost reduction programme being realised, £2.7bn FY11 run-rate

[1] Other includes technology asset write-offs, GBM legal costs, property provisions and share based payments

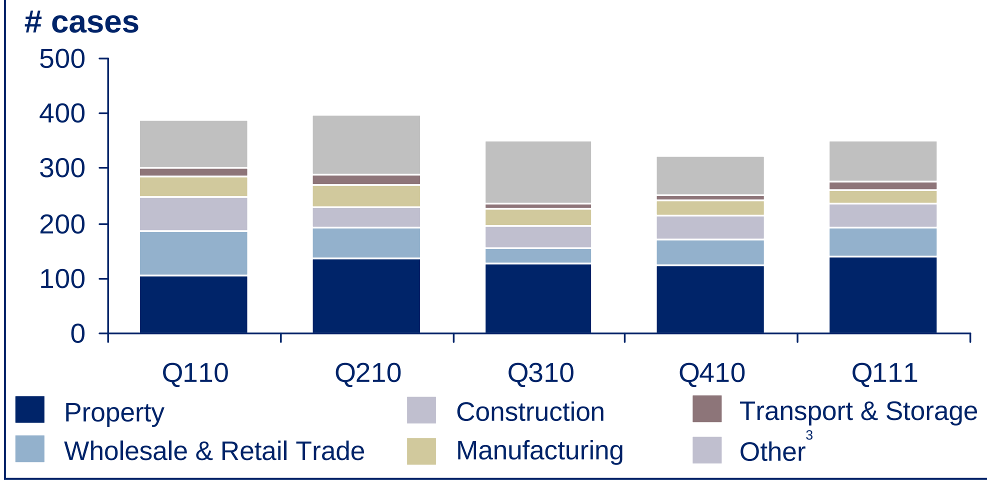
Group Impairments

Group Credit Trends

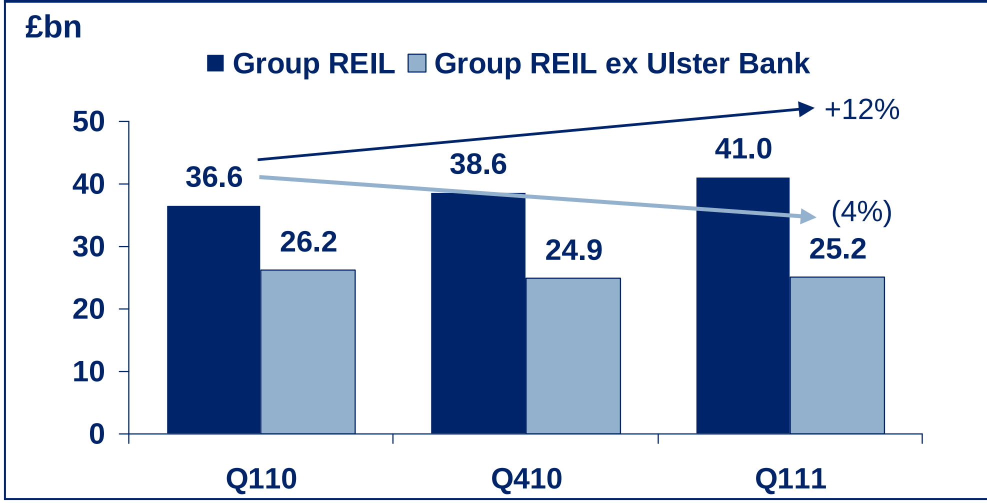
	Q110	Q310	Q410	Q111
Group impairment charge, £m	2,675	1,953	2,141	1,947
o/w Core, £m	*971*	*782*	*930*	*872*
o/w Non-Core, £m	*1,704*	*1,171*	*1,211*	*1,075*
Group % of gross L&A	1.8%	1.4%	1.7%	1.5%
Core % of gross L&A	0.9%	0.7%	0.9%	0.8%
Non-Core % of gross L&A	4.6%	3.9%	4.4%	4.0%
REILs, £bn	36.6	38.2	38.6	41.0
Group % of gross L&A[1]	6.4%	7.1%	7.4%	8.0%
Group provision balance, £bn	16.8	17.7	18.2	19.3
Provision coverage[2]	46%	46%	47%	47%

- 9% reduction in impairments reflecting general improvement across the portfolio
- Ulster Bank[4] impairment charges +12% q-o-q to £1.3bn, driven by CRE and mortgages

No. of wholesale cases transferred to Recoveries Units globally



REIL Trends



[1] REIL and PPL as % of gross loans and advances.
[2] Provisions as % of REIL.
[3] Other is spread across a large number of sectors incl TMT, Tourism & Leisure and Business Services.
[4] Ulster Bank Core and Non-Core combined including EMEA.

Below the line items

£m	Q111 £m	Q410 £m	Q111 vs Q410 £m
FVoD	(480)	582	(1,062)
APS CDS fair value changes	(469)	(725)	256
Amortisation of purchased intangible assets	(44)	(96)	52
Integration & restructuring costs	(145)	(299)	154
Strategic disposals	(23)	502	(525)
Bonus tax	(11)	(15)	4
Write-down of goodwill	-	(10)	10
RFS Holdings minority interest	3	(2)	5
Total	**(1,169)**	**(63)**	**(1,106)**
Tax			
Tax credit at statutory rate	31	2	29
Actual tax (charge)/credit	(423)	3	(426)
Difference	**(454)**	**1**	**(455)**

- £1.1bn negative swing in FVoD q-o-q
- Improving credit spreads potentially reducing impact of future funding costs
- APS CDS charge of £469m; expense to date £2bn – minimum fee £2.5bn
- Q410 included gain of £837m on GMS disposal
- Tax difference driven by:
  - Losses in Ireland (c£245m)
  - Impact of 1% reduction in UK tax rate (c£90m)

Core Performance

	Q111 £m	Q410 £m	Q111 vs. Q410 %	Q111 vs. Q110 %
Net Interest Income	3,052	3,220	(5%)	1%
Non Interest Income	4,495	3,918	15%	(13%)
Income	**7,547**	**7,138**	**6%**	**(8%)**
Operating expenses	(3,798)	(3,600)	6%	0%
Claims	(784)	(937)	(16%)	(22%)
PBIL[1]	**2,965**	**2,601**	**14%**	**(13%)**
Impairment losses	(872)	(930)	(6%)	(10%)
Operating profit	**2,093**	**1,671**	**25%**	**(14%)**

- Robust Q111 performance from GBM, versus a more subdued Q410
- Lower claims costs within Insurance, largely off-set by non-recurrence of UK Retail exceptionals in Q410
- 6% reduction in impairments driven by UK Retail and UK Corporate, offset by a 23% increase in Ulster Bank charges

[1] Profit before Impairment Losses.

Core by Division

UK Retail	Q111 £m	Q410 £m	Q111 vs. Q410 %	Q111 vs. Q110 %
Income	1,380	1,459	(5%)	10%
PBIL	702	780	(10%)	33%
Impairments	(194)	(222)	(13%)	(50%)
Operating profit / (loss)	508	558	(9%)	n.m.
UK Corporate				
Income	1,021	983	4%	9%
PBIL	598	552	8%	19%
Impairments	(105)	(219)	(52%)	(44%)
Operating profit / (loss)	493	333	48%	55%
Wealth				
Income	281	271	4%	10%
PBIL	85	93	(9%)	29%
Impairments	(5)	(6)	(17%)	25%
Operating profit / (loss)	80	87	(8%)	29%
GTS				
Income	542	638	(15%)	(11%)
PBIL	207	270	(23%)	(11%)
Impairments	(20)	(3)	n.m.	n.m.
Operating profit / (loss)	187	267	(30%)	(20%)

UK Retail

- Non-repeat of Q4 insurance profit share & lower FSCS levy cost; ex these items operating profit increased 11%
- Asset margins fell marginally q-o-q, due to mix impacts driven by higher mortgage balances; up 33bps y-o-y

UK Corporate

- Operating performance boosted by reduced impairments and income up 4%
- Impairment performance reflects improving book quality

Wealth

- Business investment drove modest reduction in profit
- AUM up 7% q-o-q
- Lending volumes maintained strong momentum, +2% q-o-q

GTS

- Sequential quarter profit declined primarily due to GMS disposal and single name impairment charge
- Ex GMS, operating profit increased 5% y-o-y

Core by Division

Ulster Bank	Q111 £m	Q410 £m	Q111 vs. Q410 %	Q111 vs. Q110 %
Income	220	243	(9%)	(9%)
PBIL	84	105	(20%)	4%
Impairments	(461)	(376)	23%	n.m.
Operating profit / (loss)	(377)	(271)	39%	n.m.
US R&C ($m)				
Income	1,112	1,106	1%	(1%)
PBIL	306	270	13%	7%
Impairments	(177)	(168)	5%	(21%)
Operating profit / (loss)	129	102	26%	105%
GBM				
Income	2,380	1,587	50%	(16%)
PBIL	1,074	522	106%	(30%)
Impairments	24	5	n.m.	n.m.
Operating profit / (loss)	1,098	527	108%	(27%)
Insurance				
Income	1,006	1,035	(3%)	(7%)
Claims	(784)	(898)	(13%)	(19%)
Operating profit / (loss)	67	(9)	n.m.	n.m.

Ulster Bank
- PBIL decline due to increased deposit and wholesale funding costs
- Impairment growth driven by mortgages & CRE

US R&C
- Improving profit trend continues; RoE 4%
- Small impairment uptick related to securities portfolio
- Some early signs of Corporate lending growth, +2% q-o-q

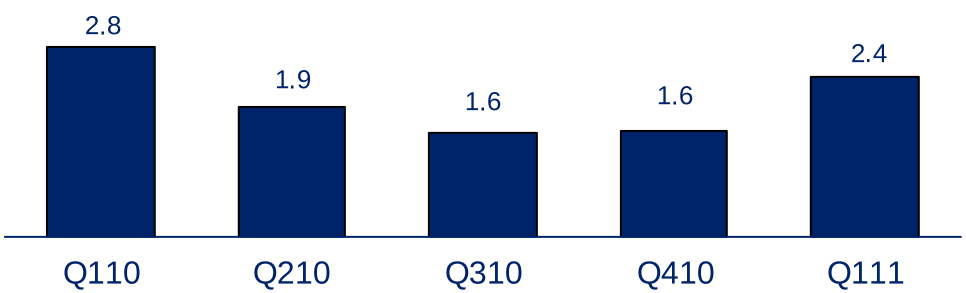
GBM
- Rebound in FICC with good market volumes
- Strong C:I ratio at 55%

Insurance
- Return to profit as claims levels normalise
- Income reduction reflecting exit from motor & home broker business and seasonality impact
- Quarterly profit in line with normalising profit run rate of c£300m p.a.

GBM

Generating normalised earnings

GBM Core revenues £bn



Top Tier in key product markets

	Q111 £m	Q410 £m	Q110 £m
Rates - Flow & MM	659	348	787
Currencies	224	178	295
Mortgage & Credit markets	885	433	959
PM & Origination	337	445	469
Equities	275	183	314

- Strong rebound in investor activity driving Q111 performance
- Delivering on strategic plan targets
- Solid base to rebuild target returns post regulatory change via:
  - Management actions, income & cost
  - Business adjustments to mitigate regulatory impacts
  - Technology investment for offence and defence

Non-Core Performance

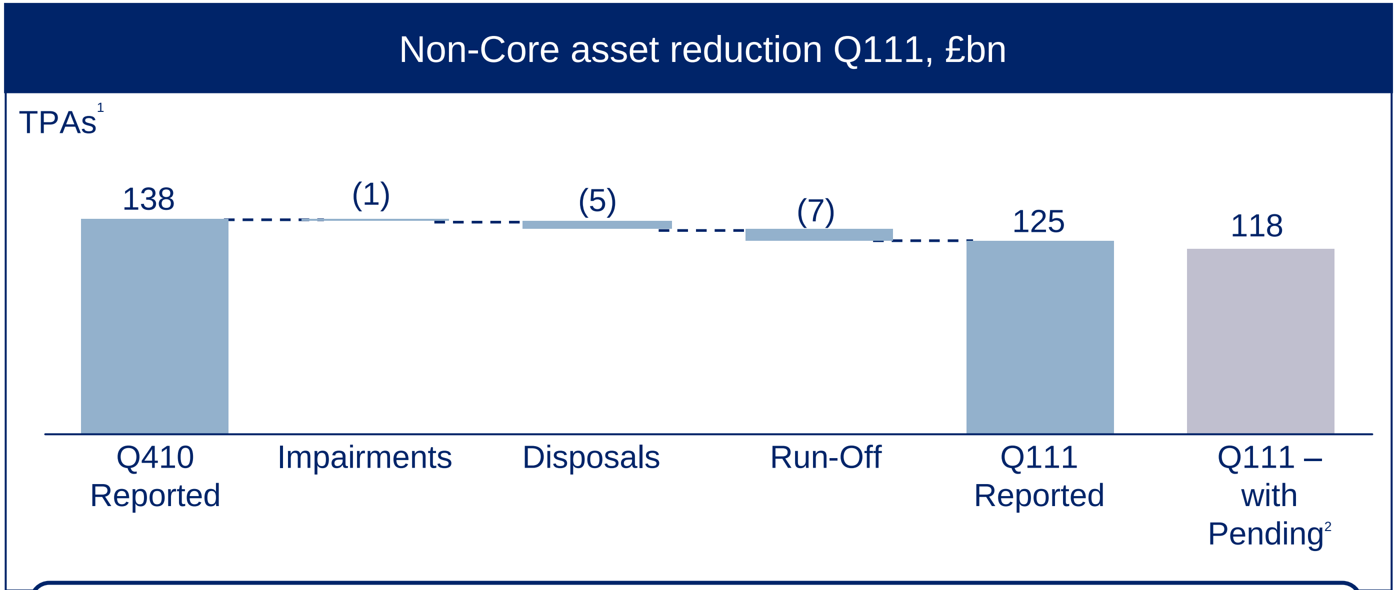
	Q111 £m	Q410 £m	Q111 vs. Q410 %	Q111 vs. Q110 %
Net Interest Income	303	419	(28%)	(47%)
Non Interest Income	183	(98)	n.m.	(48%)
Total income	**486**	**321**	**51%**	**(47%)**
Operating expenses	(323)	(481)	(33%)	(49%)
PBIL[1]	**163**	**(160)**	**n.m.**	**(41%)**
Claims	(128)	(245)	(48%)	(4%)
Impairment losses	(1,075)	(1,211)	(11%)	(37%)
Operating profit/(loss)	**(1,040)**	**(1,616)**	**(36%)**	**(33%)**
TPAs[2], £bn	125	138	(9%)	(36%)
RWAs[3], £bn	129	154	(16%)	(22%)

- Lower NII due to accelerated balance sheet reduction in 2010
- General improvement in impairment trends across the portfolio, excluding Ulster Bank
- UB accounted for 78% of Non-Core impairments in Q111
- Cost reduction driven by business disposals in 2010

[1] Profit before impairment losses. [2] Third party assets, excluding derivatives. [3] Includes Sempra RWAs of £2.4bn at 31st March 2011 and £4.3bn at 31 December 2010.

Non-Core Run-Down Q111

RBS



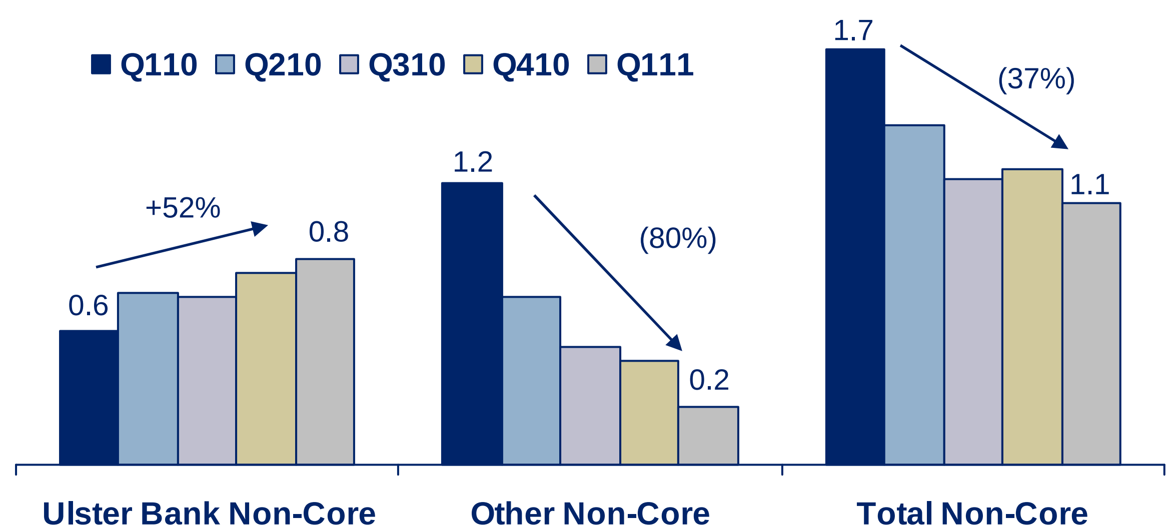
- 9% reduction (£13bn) in TPAs during the quarter - £5bn of disposals, £7bn[3] of run-off
- 52% reduction in TPAs since inception
- £7bn of signed but pending deals at Q111
- Remains on target to be <10% of group assets by FY11

[1] Third party assets excluding derivatives.
[2] Includes a further £7bn of signed but pending deals at Q111.
[3] Includes £3bn of assets transferred to Core in preparation for the sale of the RBS England and Wales branch-based business to Santander

Non-Core Impairments[1]

	Q110 £m	Q210 £m	Q310 £m	Q410 £m	Q111 £m	Comments
CRE	1,050	1,224	921	1,113	863	Generally improving trends, Ulster Bank dominates, £726m
Manufacturing	24	(260)	(48)	20	(2)	Generally benign trends
Other Corporate	411	281	224	(30)	132	
Mortgages	137	80	60	51	54	Generally improving trends; primarily US SBO
Other personal	51	49	17	48	27	
Other	31	16	(3)	9	1	
Total	**1,704**	**1,390**	**1,171**	**1,211**	**1,075**	Overall declining trend continues

Non-Core impairments Q110 – Q111, £bn



[1] Calculated on a product basis from the Company Announcement disclosure.

Risk, Funding & Capital

The Royal Bank of Scotland Group

Funding and Liquidity

Evolution of Group funding mix towards more stable long-term funding sources[1]

	Q110		Q410		Q111	
	£bn	%	£bn	%	£bn	%
Customer deposits[2]	425	53	429	58	428	58
Wholesale funding[4]	271	34	245	33	242	33
o/w wholesale <1yr	*128*	*47*	*95*	*39*	*108*	*45*
o/w wholesale >1yr	*143*	*53*	*150*	*61*	*135*	*55*
Deposits by banks	100	13	66	9	64	9
o/w cash collateral[6]	*34*	*-*	*28*	*-*	*24*	*-*
o/w <1yr to maturity[7]	*94*	*-*	*63*	*-*	*60*	*-*
Total	**796**	**100**	**740**	**100**	**735**	**100**
Memo: Total ST wholesale funding[10]	188	-	129	-	145	-

Key Funding Metrics

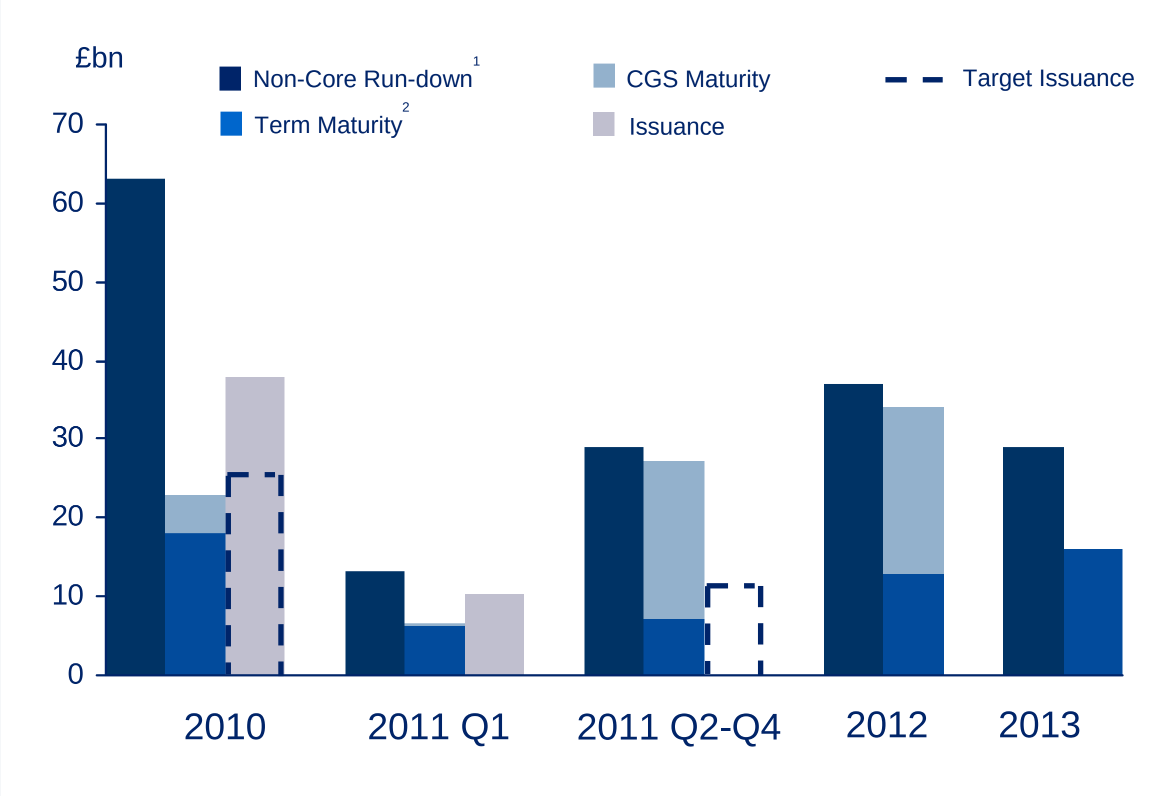
	Q110	Q410	Q111
Loan:deposit ratio (Group)[3]	131%	117%	115%
Core	102%	96%	96%
Loan:deposit (gap) (Group)[5]	(£131bn)	(£74bn)	(£66bn)
Core surplus	£10bn	£17bn	£17bn
Liquidity portfolio	£165bn	£155bn	£151bn
o/w AAA rated govt. bonds[8]	£36bn	£41bn	£40bn
Net Stable Funding Ratio[9]	n.a.	101%	96%
Wholesale funding > 1 year[4]	53%	61%	55%

- £15.6bn of CGS funding rolled down to <1 year in Q1
- £10bn of >1 year issuance during the quarter (£20bn full year target)
- 55% of wholesale funding >1 year
- Liquidity portfolio of £151bn remains on target; AAA rated govt. bonds £40bn

[1] Funding profile excluding derivatives, repos and other liabilities. [2] Includes cash collateral of £10.4bn (Q410) and £8.7bn (Q111). [3] Net of provisions. [4] Excludes bank deposits. [5] Net loans & advances to customers less customer deposits (excluding repos). [6] Cash collateral received from banks. [7] Includes cash collateral received from banks. [8] Includes AAA rated government guaranteed agencies. Also note that FSA eligible bonds as of Q110 were £25bn, Q410 £35bn and Q111 £30bn, the balance residing in RBS NV/Citizens. [9] Net stable funding ratio measures the level of net stable funding divided by long-term assets. [10] Wholesale funding < 1 year, plus bank deposits <1 year excluding derivatives collateral.

Funding - Issuance

Asset reduction lessens market funding requirement

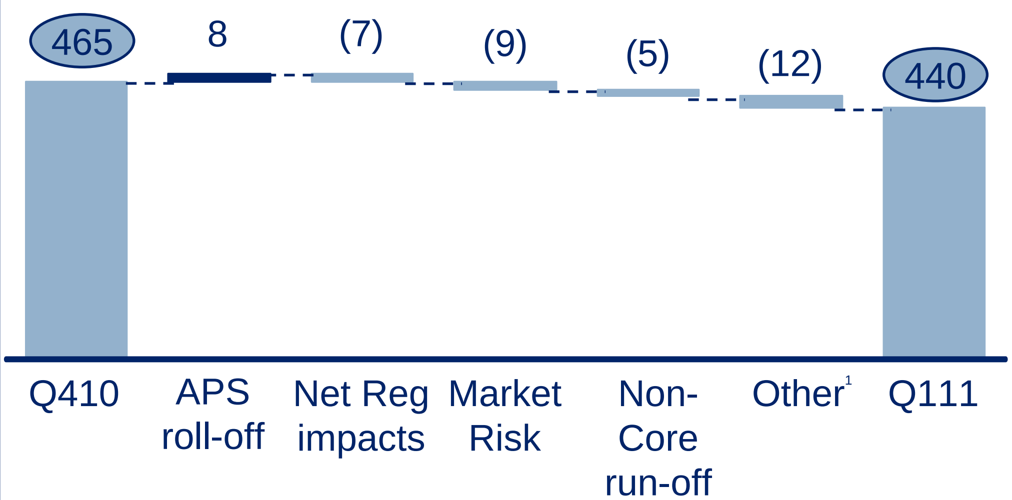


- Issued £10bn of term funding in Q111, 2011 plan calls for c.£20bn
- Lower requirement for public unsecured issuance going forward
- Q111 issuance:
  - 42% private, 58% public
  - 55% of public deals unsecured, 45% secured
- Strong private placement capabilities linked to structured and equity-linked business within GBM
- CGS term funding outstanding of £40bn, will be fully repaid by July 2012:
  - Q411 £18.7bn
  - Q112 £15.6bn
  - Q212 £5.7bn
- €3bn of Covered Bonds issued in 2011

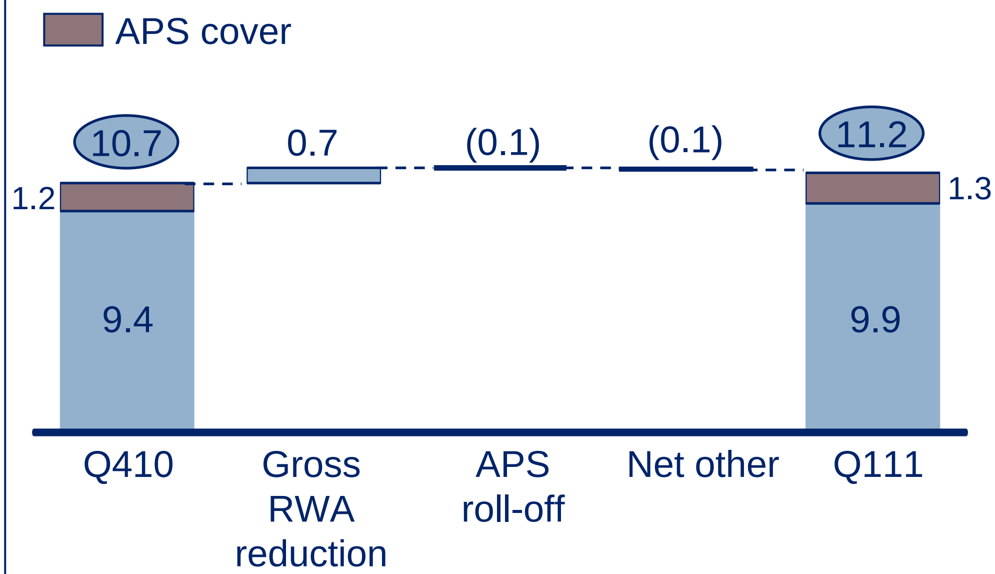
[1] Non-Core third party assets excluding derivatives. [2] Unguaranteed term debt and subordinated liabilities contractual maturity.

RWA & Capital Progression

RWAs £bn



Core Tier One Ratio %



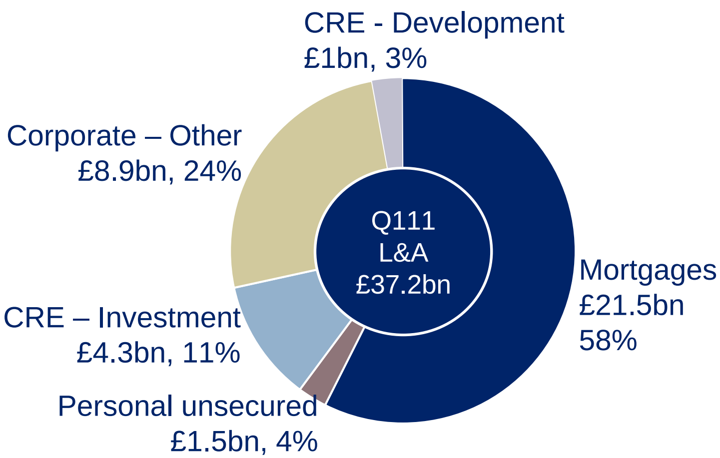
- Core Tier 1 Ratio up 50bps, RWA reduction drove 70bps increase
- Reclassification of certain trades in Non-Core, drove c£7bn RWA reduction
- Reduced market risk charge driven by lower event risk and VaR
- APS relief of c1.3%

[1] Other includes pro-cyclicality (£4bn), defaults (£4bn) and data cleansing (£2bn).

Update on Ireland – Asset Deep Dive

RBS

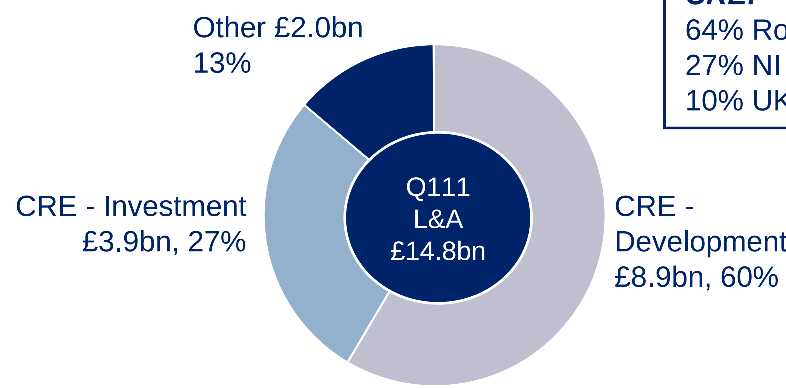
Ulster Bank – Core gross L&A, £37.2bn, (-4% y-o-y)



CRE:
57% RoI
20% NI
23% UK

Mortgages:
90% RoI
10% NI

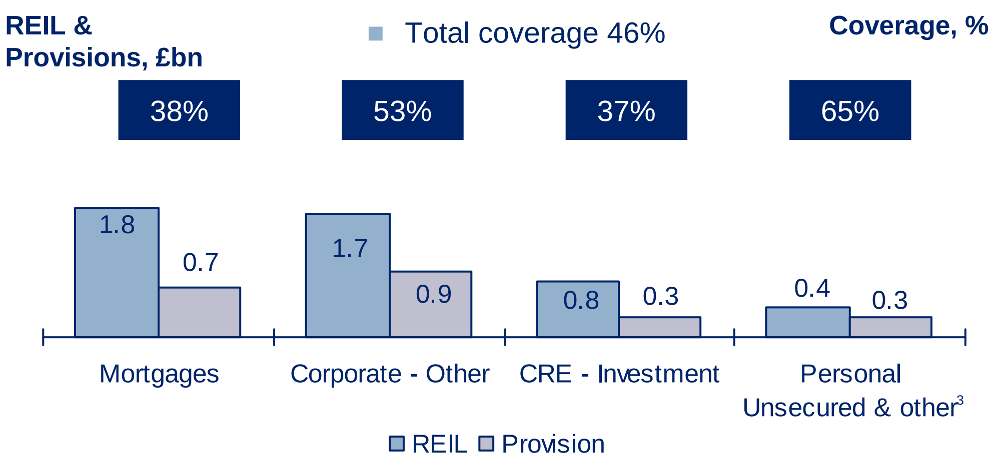
Ulster Bank – Non-Core gross L&A[1], £14.8bn, (-6% y-o-y)



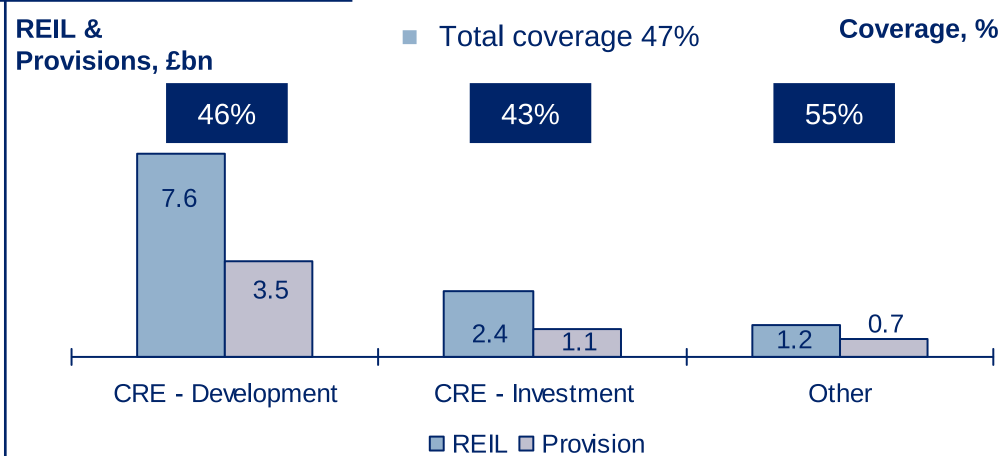
CRE:
64% RoI
27% NI
10% UK

Ulster Bank – Core REIL, Provisions & Coverage[2]

"In the pack" on provision coverage vs peers



Ulster Bank – Non-Core REIL, Provisions & Coverage[2]



[1] Excludes EMEA L&A of £0.5bn. [2] Provisions as a % of REIL. [3] Includes Core CRE Development lending REIL of £210m and provisions of £99m.

Conclusions

Group momentum maintained	■ Further progress in the execution of the Strategic Plan ■ Core business operating performance improved, all business units excluding Ulster Bank demonstrating good underlying trends ■ Non-Core run-down providing 'no surprises'
Risk and Non-Core reduction ahead of plan	■ Non-Core reduction continues to track ahead of plan — On target to be <10% of group assets at FY11 ■ Overall improvement in impairment trend continues despite ongoing challenges in Ulster Bank
Capital, Funding and Liquidity robust	■ Robust capital position maintained ■ Group LDR further improved, Core LDR remains below target level ■ Short-term wholesale funding in balance to liquidity portfolio
Regulatory change	■ Uncertainty of external change remains ■ ICB interim report being studied ■ Impacts of Basel III remain manageable within the Group

Appendix

The Royal Bank of Scotland Group

Non-Core Asset Class Composition Changes

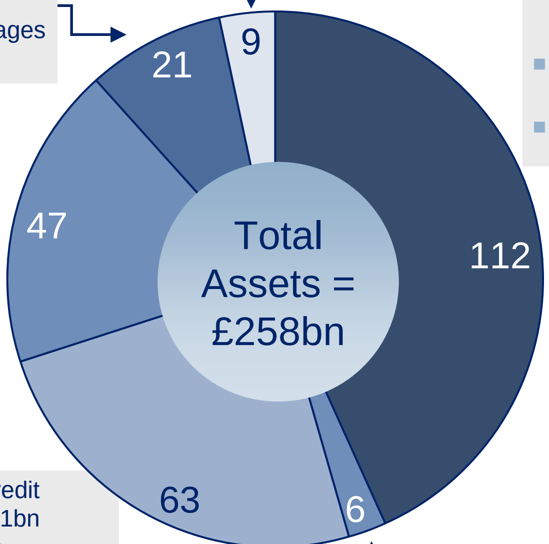
RBS

2008 Year-End funded assets

Other
- RBS Insurance £2.0bn
- Bank of China / Linea Directa £4.5bn
- Whole Businesses £0.8bn
- Shared Assets and Other £1.5bn

Corporate
- Project & Export Finance £21.3bn
- Asset Finance £24.2bn
- Leveraged Finance £15.9bn
- Corporate Loans & Securitisations £41.6bn
- Asset Management £1.9bn
- Countries £6.7bn

Retail
- UK Mortgages & Personal Lending £3.2bn
- US Mortgages & Personal Lending £11.9bn
- Ireland Mortgages £6.5bn



Markets
- Structured Credit Portfolio £20.1bn
- Equities £5.0bn
- Credit Collateral Financing £8.6bn
- Exotic Credit Trading £1.4bn
- Sempra £6.3bn
- Other Markets £6.2bn

Commercial Real Estate
- Real Estate Finance £38.7bn
- UK B&C £11.4bn
- Ireland £9.9bn
- US £2.8bn

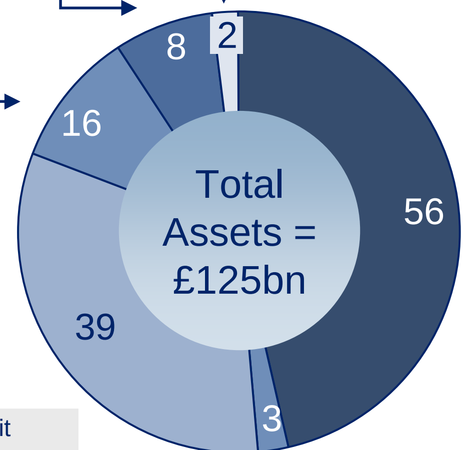
SME
- UK SME £4.2bn
- US SME £1.6bn

Q1 2011 funded assets

Retail
- UK Mortgages & Personal Lending £1.8bn
- US Mortgages & Personal Lending £5.7bn
- Countries £0.9bn

Other
- RBS Insurance £1.5bn
- Whole Businesses £0.1bn
- Shared Assets and Other £0.8bn

Corporate
- Project & Export Finance £15.6bn
- Asset Finance £18.5bn
- Leveraged Finance £6.6bn
- Corporate Loans & Securitisations £13.4bn
- Asset Management £0.9bn
- Countries £0.9bn



Markets
- Structured Credit Portfolio £10.7bn
- Equities £0.7bn
- Credit Collateral Financing £0.1bn
- Exotic Credit Trading £0.1bn
- Sempra £3.9bn
- Other Markets £0.8bn

Commercial Real Estate
- Real Estate Finance £22.6bn
- UK B&C £5.3bn
- Ireland £9.6bn[1]
- US £1.2bn

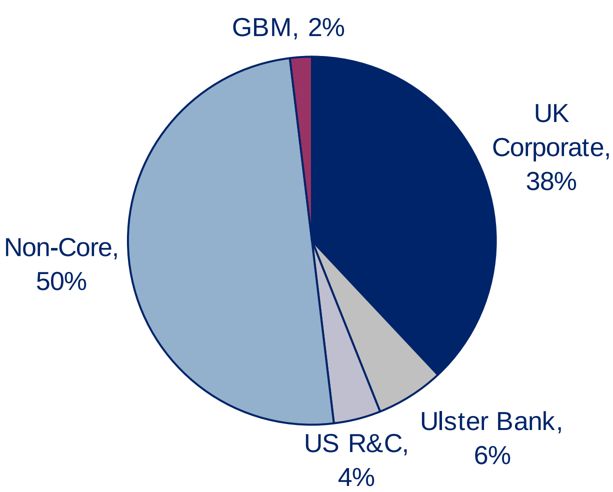
SME
- UK SME £2.6bn
- US SME £0.5bn

[1] Affected by the replacement of Irish Mortgages with Irish Commercial Real Estate announced at H1 2010 results. As at 30 June 2010 the CRE portfolio transferred was £5.0bn.

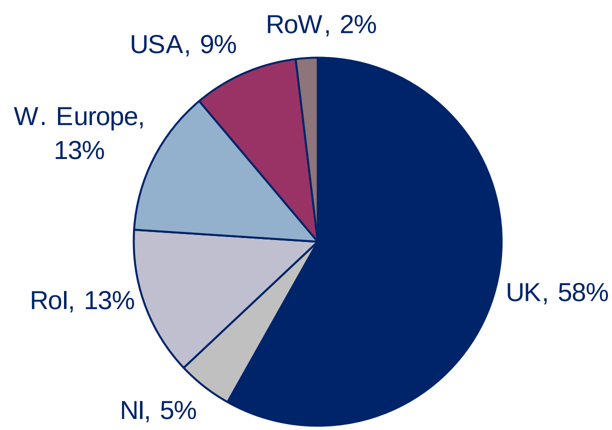
Commercial Real Estate

Total Portfolio £85bn -2%[1]

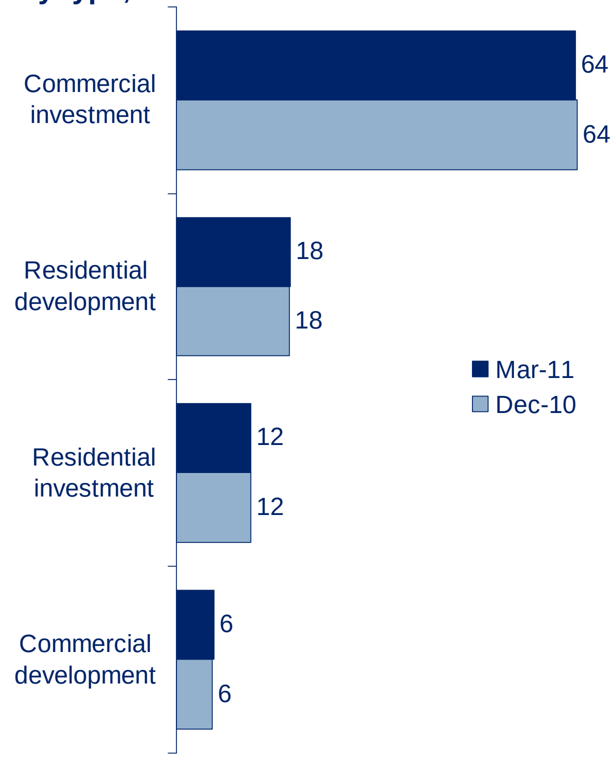
By division, %



By geography, %



By type, %



[1] Versus FY10