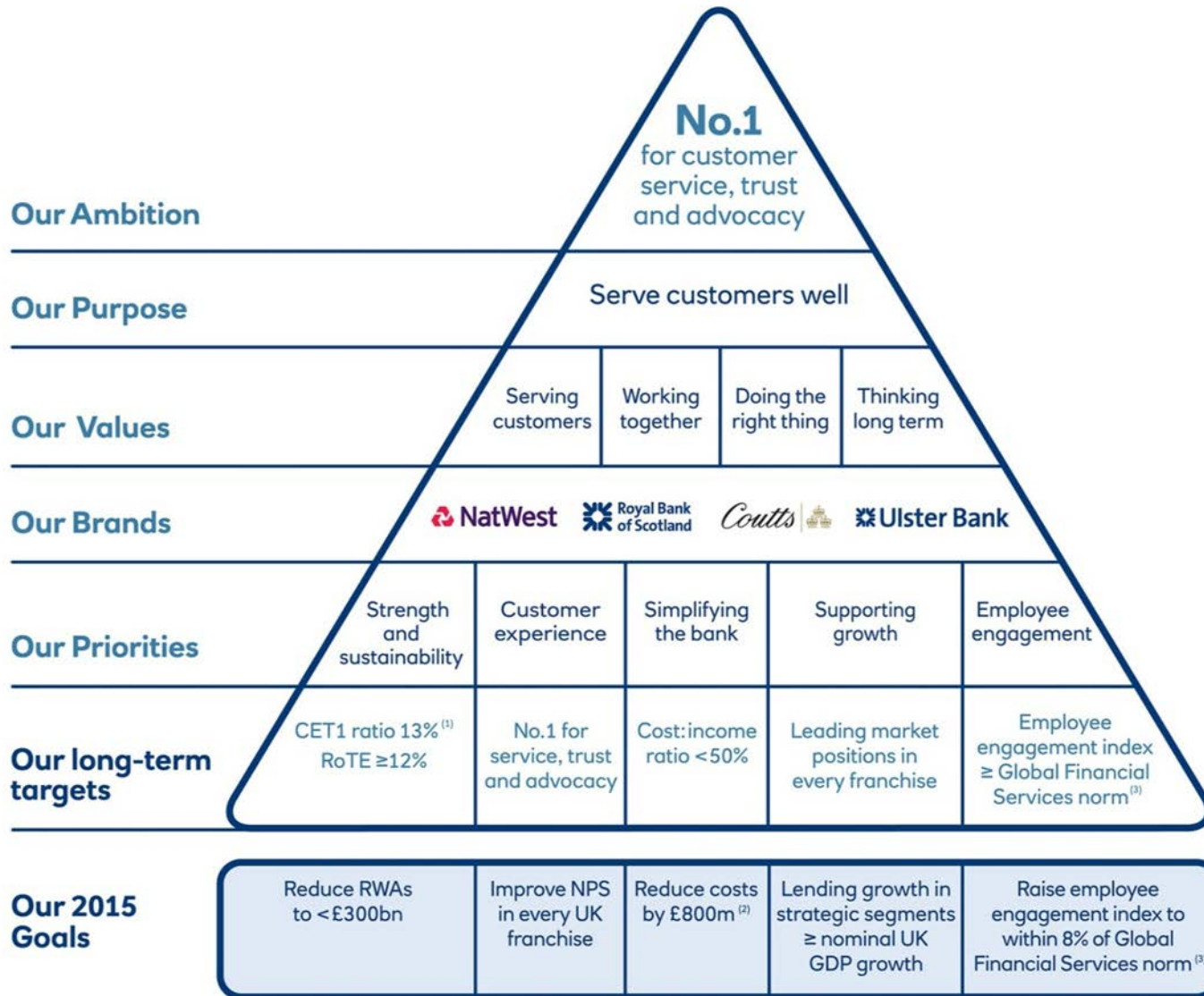


# Q3 2015 Results

30 October 2015

# Our blueprint for lasting success



<sup>(1)</sup> During the period of CIB restructuring. <sup>(2)</sup> Excludes restructuring, conduct, litigation and intangible write-off charges as well as the operating costs of Citizens and Williams & Glyn. <sup>(3)</sup> Global Financial Services (GFS) norm currently stands at 82%.

# Q3 2015 results highlights



- Strong net mortgage lending growth of £3.8bn in UK Personal & Business Banking; net new lending of £1.5bn in Commercial Banking during the quarter; combined YTD annualised growth rate 4.6%
- Attributable profit of £952m; including one-off gain of £1.1bn in relation to the sale of Citizens to 20.9% ownership
- Operating loss of £134m. Adjusted operating profit of £842m<sup>(1)</sup> including losses of £126m relating to IFRS volatility in central items and £77m of CIB disposal losses
- Adjusted operating expenses were £152m<sup>(1)</sup> lower, down 6% Y/Y, with headcount down and restructuring benefits feeding through
- 12.7% CET1 ratio, up 40bps Q/Q; TNAV 384p, compared to 380p in Q2 2015, leverage ratio up to 5.0% in Q3 2015 from 4.6% in Q2 2015
- NatWest Business Banking and RBS Business Banking NPS scores have seen significant improvements
- Employee engagement – sharp improvement in almost every metric

<sup>(1)</sup> Excluding restructuring and litigation and conduct costs.

# Illustrative Go-Forward business and Exit group profile



	Illustrative Go-Forward businesses profile (Q3 2015)					Illustrative Exit group profile (Q3 2015)						Total RBS
(£bn)	PBB <sup>(1)</sup>	CPB <sup>(2)</sup>	CIB go-forward <sup>(3)</sup>	Other go-forward <sup>(4)</sup>	Total go-forward	CIB CR <sup>(3)</sup>	W&G <sup>(5)</sup>	Int'l Private Banking	RCR	Other Investments (incl. CFG <sup>(6)</sup> )	Total Exit Group	
Income	1.4	1.0	0.4	(0.1)	2.7	-	0.3	-	-	0.1	0.4	3.1
Adj. costs <sup>(7)</sup>	(0.8)	(0.6)	(0.4)	-	(1.8)	(0.3)	(0.1)	-	(0.1)	-	(0.5)	(2.3)
Impairment releases	0.1	-	-	(0.1) <sup>#</sup>	-	-	-	-	0.1	-	0.1	0.1
Adj. operating profit <sup>(7)</sup>	0.7	0.4	-	(0.2)	0.9	(0.3)	0.2	-	-	0.1	-	0.9
Funded Assets	147	108	127	114	496	50	20	5	7	2	84	580
Net L&A to Customers	133	103	24	-	260	27	20	3	4	-	54	314
Customer Deposits	148	122	19	4	293	29	24	6	1	-	60	353
RWAs	51	75	39	10	175	39	10	2	12	78	141	316
Adj. RoE <sup>(7,8)</sup> (%)	27%	11%	n.m.	n.m.	10%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5%

<sup>(1)</sup> Excludes Williams & Glyn. <sup>(2)</sup> Excludes International Private Banking. <sup>(3)</sup> The CIB results split into go-forward and capital resolution elements are based on a modelled approach pending outcomes of ongoing implementation planning and therefore is subject to change. <sup>(4)</sup> Other go-forward is primarily Centre, which includes the liquidity portfolio. <sup>(5)</sup> Does not reflect the cost base, funding and capital profile of a standalone bank. <sup>(6)</sup> CFG total RWAs are £72bn <sup>(7)</sup> Excludes restructuring and litigation and conduct costs. <sup>(8)</sup> Segmental RoE is calculated using operating profit after tax on a non-statutory basis adjusted for preference share dividends divided by average notional equity (based on 13% of average RWA equivalent). Total RBS RoE is calculated using operating profit after tax on a non-statutory basis less preference dividends divided by average RBS tangible equity.

<sup>#</sup> Rounding adjustment only

# RBS Q3 2015 results – P&L



(£m)	Q3 2015	vs. Q2 2015	vs. Q3 2014
Income	3,047	(15%)	(16%)
Operating expenses <sup>(1)</sup>	(2,284)	+3%	(6%)
<i>Restructuring costs</i>	(847)	(17%)	n.m.
<i>Litigation &amp; conduct costs</i>	(129)	(72%)	(83%)
(Impairments) / releases	79	(59%)	(91%)
<b>Adjusted operating profit / (loss)</b>	<b>842</b>	<b>(46%)</b>	<b>(59%)</b>
<b>Operating profit / (loss)</b>	<b>(134)</b>	<b>n.m.</b>	<b>n.m.</b>
Other items	1,086	n.m.	n.m.
<b>Attributable profit / (loss)</b>	<b>952</b>	<b>+225%</b>	<b>+6%</b>
<b>Key metrics</b>			
Net interest margin	2.09%	(4bps)	(8bps)
Return on tangible equity	8.8%	+6ppts	+1ppts
Adj. return on tangible equity <sup>(1)</sup>	15.8%	+2ppts	(0ppts)
Cost-income ratio	107%	+4ppts	+14ppts
Adj. cost-income ratio <sup>(1)</sup>	75%	+13ppts	+8ppts

## Q3 2015 vs. Q3 2014

- Income was £596m lower than in Q3 2014, principally driven by a £394m decline in CIB, reflecting planned reshaping
- Restructuring costs remained high at £847m as the Go-Forward bank transforms
- Litigation and conduct costs £129m, vs. £780m in Q3 2014
- Q3 2015 operating loss was £134m
- Attributable profit £952m, vs. £896m in Q3 2014

<sup>(1)</sup> Excluding restructuring and litigation and conduct costs.

# RBS Q3 2015 results – Balance Sheet



(£bn)	Q3 2015	vs. Q2 2015	vs. FY 2014
TNAV per share (p)	384p	4p	(3p)
Tangible equity (£bn)	44.4	+1.2%	+0.2%
<b>Customer balances</b>			
Funded assets	580	(15.0%)	(16.7%)
Net loans & advances to customers	311	(1.1%)	(6.8%)
Customer deposits	346	+1.2%	(2.3%)
<b>Liquidity and funding</b>			
Loan-to-deposit ratio (%)	89%	(3ppts)	(6ppts)
Liquidity coverage ratio (%)	136%	+19ppts	+24ppts
Liquidity portfolio (£bn)	164	+1.9%	+8.6%
<b>Capital &amp; leverage</b>			
Leverage exposure (£bn)	846.5	(3.2%)	(9.9%)
Leverage ratio (%)	5.0%	+40bps	+80bps
CET1 capital (£bn)	40.2	+0.3%	+0.7%
CET1 ratio (%)	12.7%	+40bps	+150bps
RWAs (£bn)	316.0	(3.2%)	(11.2%)

## Q3 2015 vs. Q2 2015

- TNAV per share was 384p at 30 September 2015 compared with 380p at 30 June 2015
- Capital strength continued to build with the CET1 ratio strengthening to 12.7% at 30 September 2015
- Leverage ratio rose 40bps from 4.6% at 30 June 2015 to 5.0% at 30 September 2015, assisted by the successful issue of £2bn of AT1 capital notes in August

# Capital, Leverage and Risk Elements in Lending

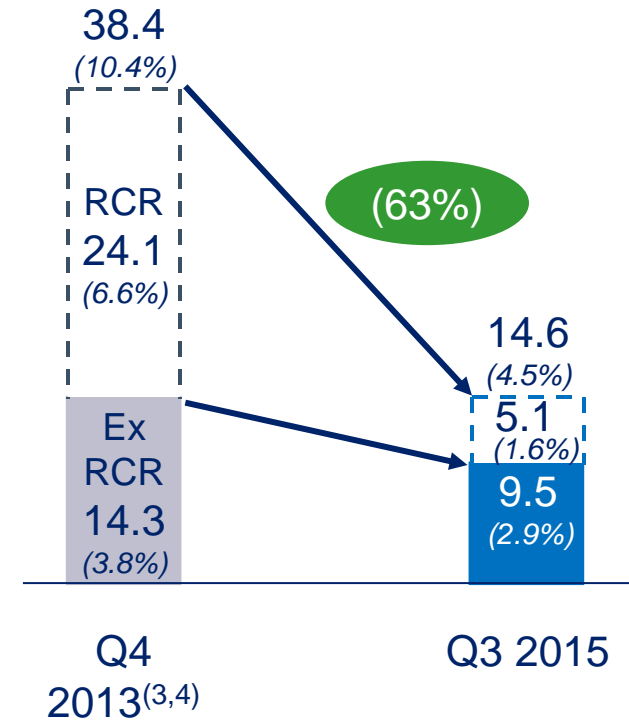
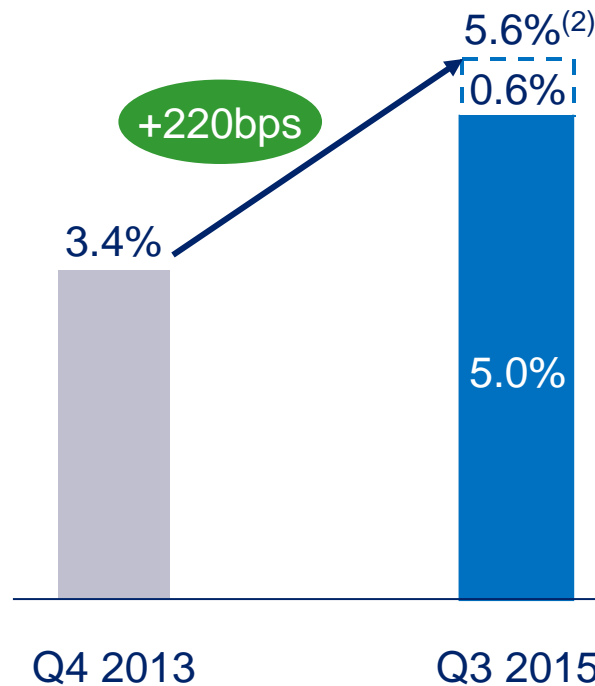
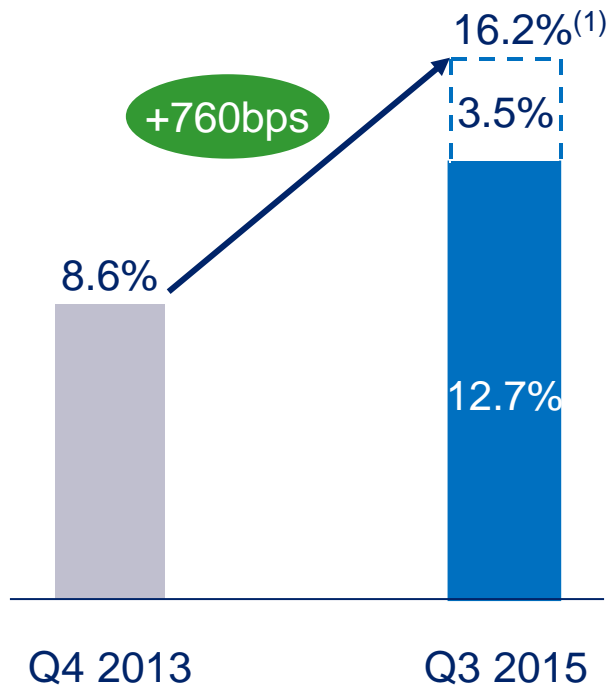


CET1 Ratio: 13% Target

Leverage Ratio

REILs (£bn)

(as % of Total Gross L&As)



<sup>(1)</sup> Pro-forma impact of the full disposal of Citizens at 30 September 2015. Assumes full removal of RWAs excluding operational risk and, for simplicity, no capital gains or losses assumed. <sup>(2)</sup> Pro-forma basis, assuming the divestment of Citizens <sup>(3)</sup> RCR was created on 1<sup>st</sup> January 2014. Q4 2013 assumes the numbers have not moved between the 31<sup>st</sup> December 2013 and 1<sup>st</sup> January 2014. <sup>(4)</sup> Q4 2013 has been adjusted to exclude Citizens Financial Group

# Personal & Business Banking



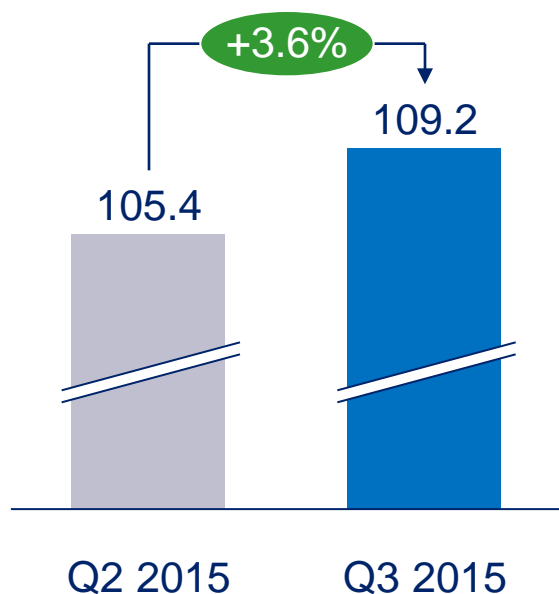
P&L (£m)	UK PBB			Ulster Bank			Total PBB		
	Q3 2015	vs. Q2 2015	vs. Q3 2014	Q3 2015	vs. Q2 2015	vs. Q3 2014	Q3 2015	vs. Q2 2015	vs. Q3 2014
Income	1,459	(1%)	(5%)	214	+20%	+0%	1,673	+2%	(5%)
Operating expenses <sup>(1)</sup>	(785)	+3%	+0%	(150)	+8%	+9%	(935)	+4%	+2%
<i>Restructuring costs</i>	(27)	+35%	(58%)	(6)	(68%)	(50%)	(33)	(15%)	(57%)
<i>Litigation &amp; conduct costs</i>	2	n.m.	n.m.	(2)	n.m.	+0%	-	(100%)	(100%)
(Impairments) / releases	(11)	+22%	(86%)	58	+12%	(82%)	47	+9%	(80%)
<b>Operating profit / (loss)</b>	<b>638</b>	<b>(4%)</b>	<b>+28%</b>	<b>114</b>	<b>+43%</b>	<b>(70%)</b>	<b>752</b>	<b>+1%</b>	<b>(15%)</b>
<b>Key metrics</b>									
Net interest margin	3.54%	(4bps)	(18bps)	1.81%	(12bps)	(51bps)	3.23%	(6bps)	(23bps)
Return on equity <sup>(2)</sup>	31.8%	(0ppts)	+9ppts	14.1%	+4ppts	(33ppts)	25.5%	+1ppts	(3ppts)
Adj return on equity <sup>(1,2)</sup>	33.1%	(1ppts)	+2ppts	15.1%	+4ppts	(33ppts)	26.7%	+1ppts	(8ppts)
Cost-income ratio	56%	+2ppts	(7ppts)	74%	(10ppts)	+4ppts	58%	+1ppts	(5ppts)
Adj cost-income ratio <sup>(1)</sup>	54%	+2ppts	+3ppts	70%	(8ppts)	+6ppts	56%	+1ppts	+4ppts
<b>Balance sheet (£bn)</b>									
RWAs	39.4	(3.9%)	(11.9%)	21.5	+1.4%	(10.0%)	60.9	(2.1%)	(11.2%)

<sup>(1)</sup>Excluding restructuring and litigation and conduct costs. <sup>(2)</sup>Return on equity is based on operating profit after tax adjusted for preference share dividends divided by average notional equity (based on 13% of the monthly average of segmental RWA equivalents).

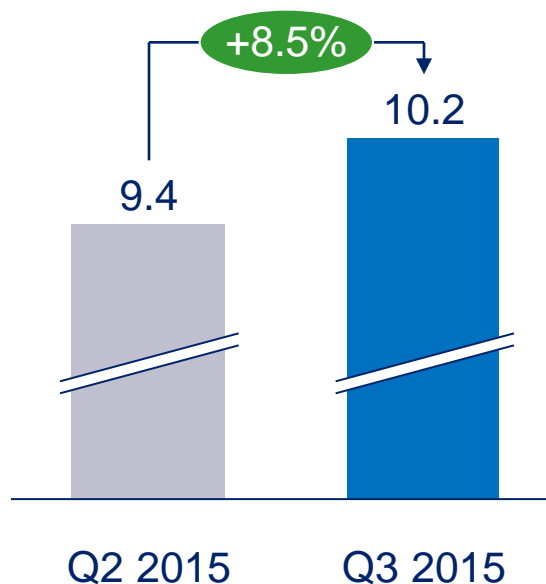


## UK Personal & Business Banking – Mortgages

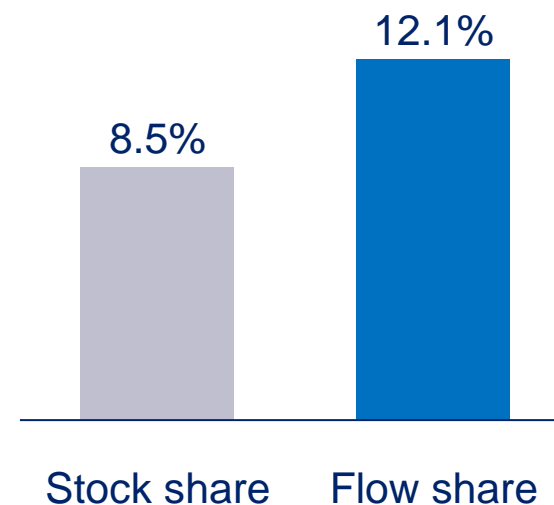
Gross L&As to customers (£bn)



Applications (£bn)



RBS Q3 2015 market share



- 7.8% annualised YTD mortgage L&A growth
- Growing mortgages 3 times faster than the market with Q3 2015 Y/Y growth of 6% vs. market growth of ~2%

# Commercial & Private Banking



P&L (£m)	Commercial			Private			Total CPB		
	Q3 2015	vs. Q2 2015	vs. Q3 2014	Q3 2015	vs. Q2 2015	vs. Q3 2014	Q3 2015	vs. Q2 2015	vs. Q3 2014
Income	830	(7%)	+2%	204	(1%)	(24%)	1,034	(6%)	(4%)
Operating expenses <sup>(1)</sup>	(402)	+3%	+7%	(184)	+4%	(9%)	(586)	+3%	+2%
<i>Restructuring costs</i>	(1)	(94%)	(94%)	(1)	(99%)	(86%)	(2)	(98%)	(92%)
<i>Litigation &amp; conduct costs</i>	-	(100%)	+0%	-	(100%)	+0%	-	(100%)	+0%
(Impairments) / releases	(15)	(42%)	+25%	(4)	n.m.	n.m.	(19)	(21%)	+138%
<b>Operating profit / (loss)</b>	<b>412</b>	<b>+3%</b>	<b>+1%</b>	<b>15</b>	<b>(119%)</b>	<b>(77%)</b>	<b>427</b>	<b>+33%</b>	<b>(9%)</b>
<b>Key metrics</b>									
Net interest margin	2.81%	(5bps)	+3bps	3.14%	(7bps)	(51bps)	2.87%	(5bps)	(9bps)
Return on equity <sup>(2)</sup>	11.7%	+0ppts	(1ppts)	1.7%	+22ppts	(9ppts)	10.5%	+3ppts	(2ppts)
Adj return on equity <sup>(1,2)</sup>	11.7%	(2ppts)	(1ppts)	1.9%	(4ppts)	(11ppts)	10.6%	(2ppts)	(2ppts)
Cost-income ratio	49%	(3ppts)	+1ppts	91%	(48ppts)	+13ppts	57%	(12ppts)	+1ppts
Adj cost-income ratio <sup>(1)</sup>	48%	+4ppts	+2ppts	90%	+4ppts	+15ppts	57%	+5ppts	+4ppts
<b>Balance sheet (£bn)</b>									
RWAs	67.2	+0.4%	+3.5%	9.8	+0.0%	(19.7%)	77.0	+0.4%	(0.1%)

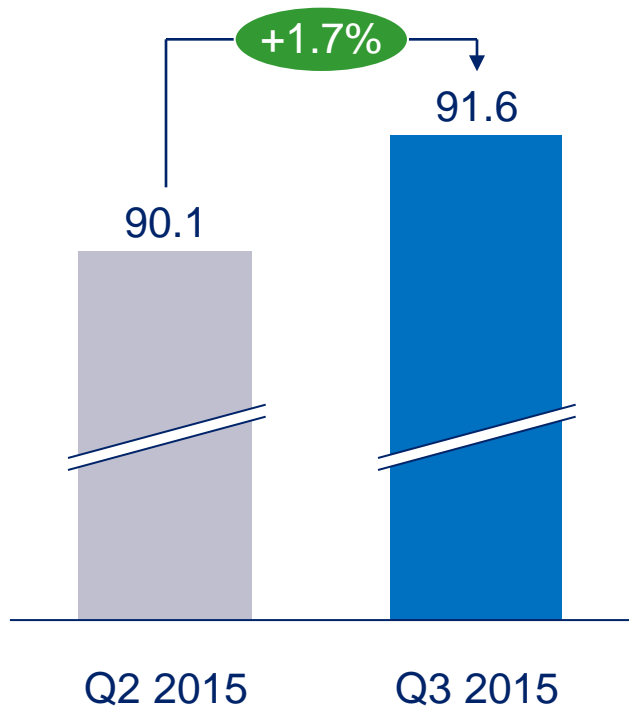
<sup>(1)</sup> Excluding restructuring and litigation and conduct costs. <sup>(2)</sup> Return on equity is based on operating profit after tax adjusted for preference share dividends divided by average notional equity (based on 13% of the monthly average of segmental RWA equivalents).

# Supporting growth - Commercial Banking



## Positive net lending

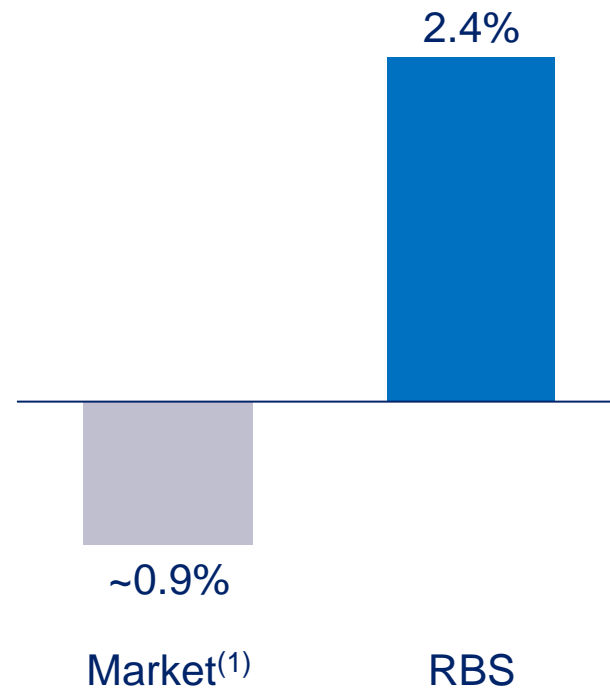
### Net L&As to customers (£bn)



- ~3.1% annualised YTD Net L&A growth rate

## Net UK Commercial lending growth

### 9M 2015



<sup>(1)</sup> Lending to PNFCs (Private Non-Financial Corporations) Source : BoE Statistical Release September 2015 - Money and Credit Table M: Loans to non-financial businesses 12m %change

(£m)	Q3 2015	vs. Q2 2015	vs. Q3 2014
Rates	172	+5%	(14%)
Currencies	96	(10%)	(30%)
Credit	35	(59%)	(68%)
Banking / other	3	n.m.	n.m.
<b>Total CIB (Go-Forward)</b>	<b>306</b>	<b>(1%)</b>	<b>(28%)</b>
Business transfers to other areas	88	(15%)	(31%)
<b>Income</b>	<b>394</b>	<b>(4%)</b>	<b>(28%)</b>
<b>Funded Assets (£bn)</b>	<b>126.9</b>	<b>(16%)</b>	
<b>RWAs (£bn)</b>	<b>39.3</b>	<b>(8%)</b>	

## Q3 2015 vs. Q3 2014

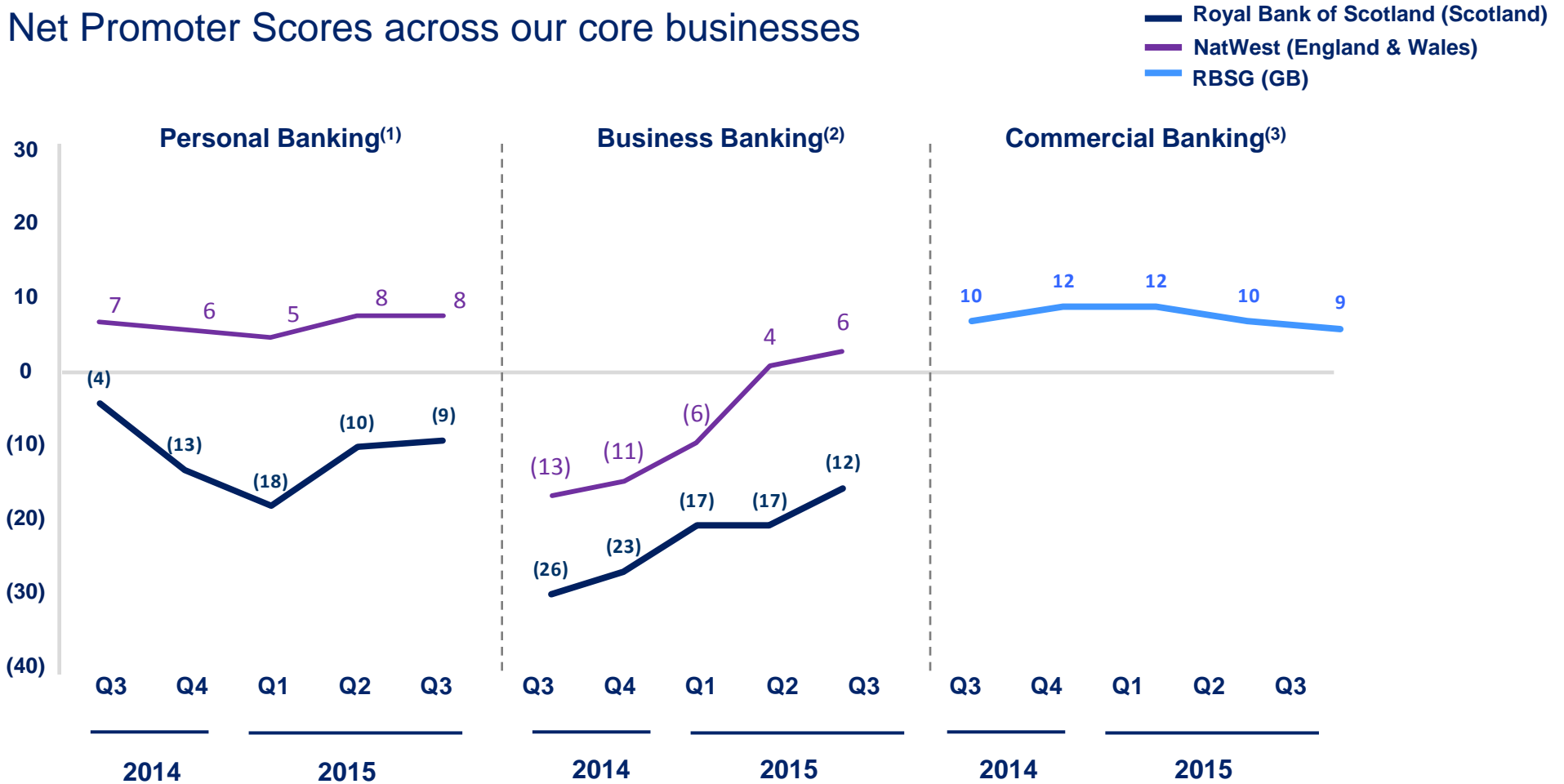
- Reshaping is proceeding in line with plans
- Income was flat vs. Q2 2015, despite the seasonal slow-down in client activity and uncertain market conditions
- Funded assets fell by £23bn during the quarter, including a £17bn transfer to treasury
- On track to deliver income target of £1.3bn for 2015

(£bn)	Q3 2015		FY 2014	
	TPAs	RWAs	TPAs	RWAs
APAC Portfolio	3.2	2.0	7.7	4.2
Americas Portfolio	1.5	2.4	4.7	7.8
EMEA Portfolio	4.4	2.9	9.9	6.8
Shipping	5.3	4.4	5.7	4.4
Markets	30.5	19.8	52.1	28.9
GTS	4.4	6.6	11.3	11.1
Other	1.2	0.6	1.5	0.9
<b>Total</b>	<b>50.5</b>	<b>38.7</b>	<b>92.9</b>	<b>64.1</b>
(£m)				
<b>Total Gross Income</b>	<b>120</b>			
<b>Asset Disposals</b>	<b>(77)</b>			
<b>Total Income</b>	<b>43</b>			

## Q3 2015 vs. Q4 2014

- Good progress made in Q3, with the sale of North American portfolios to Mizuho largely complete
- Further APAC portfolio sale announced to China Construction Bank Corporation
- RWAs were reduced by £6.7bn to £38.7bn in Q3 2015 with the reduction since the start of 2015 totalling £25.4bn

## Net Promoter Scores across our core businesses



<sup>(1)</sup> Personal Banking: Source GfK FRS, 6 month roll. Latest base sizes: NatWest (3392) RBS (545) Question "How likely is it that you would to recommend (brand) to a relative, friend or colleague in the next 12 months for current account banking?" Base: Claimed main banked current account customers.

<sup>(2+3)</sup> Business & Commercial Banking: Source Charterhouse Research Business Banking Survey, quarterly rolling. Latest base sizes, Business £0-2m NatWest (1289) RBS (429) Commercial <sup>(3)</sup> £2m+ combination of NatWest & RBS in GB (878) Question: "How likely would you be to recommend (bank)". Base: Claimed main bank. Data weighted by region and turnover to be representative of businesses in Great Britain. The year on year improvements in Business Banking are significant.

# Impact of notable items on P&L

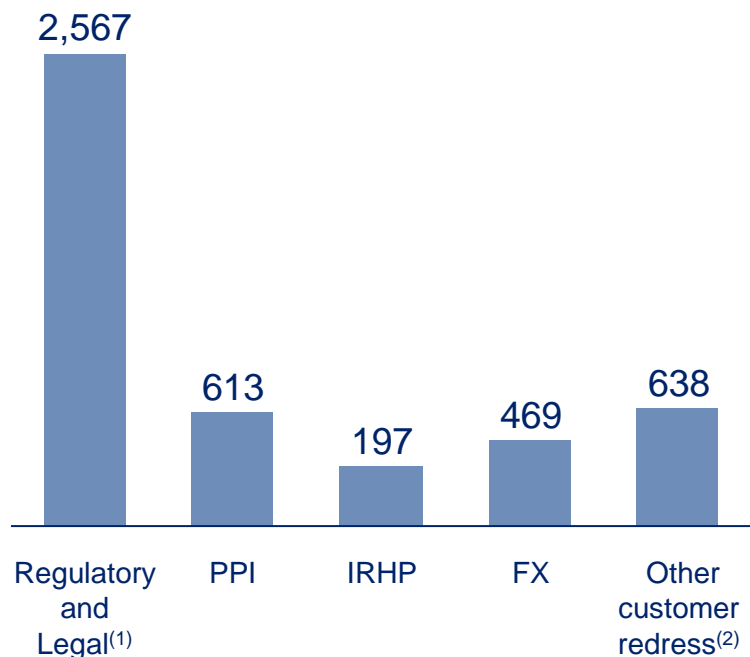


£m	Q3 2015	Q2 2015	Q1 2015
<b>Reported in adjusted operating performance</b>			
CIB CR disposal losses	(77)	(113)	(28)
RCR disposal contributions primarily within impairment provision releases <sup>(1)</sup>	66	164	119
AFS disposal (loss)/ gains in Centre ( <i>Income</i> )	2	(42)	(27)
Risk Management (incl. IFRS volatility) in Centre ( <i>Income</i> )	(126)	205	(108)
<b>Restructuring costs</b>	<b>(847)</b>	<b>(1,023)</b>	<b>(453)</b>
<i>o/w W&amp;G restructuring costs</i>	(190)	(126)	(133)
<i>o/w CIB restructuring costs</i>	(637)		
<i>o/w CIB Property related costs</i>	(276)		
<i>o/w Write-down of the value of premises</i> <sup>(2)</sup>	-	-	(277)
<i>o/w Software write-downs</i>			
- CIB <sup>(2)</sup>	-	(521)	-
- Private Banking <sup>(2)</sup>	-	(82)	-
<b>Total product &amp; litigation costs</b> <sup>(2)</sup>	<b>(129)</b>	<b>(459)</b>	<b>(856)</b>
<i>o/w PPI redress and related costs</i> <sup>(2)</sup>	-	-	(100)
<i>o/w IRHP redress and related costs</i> <sup>(2)</sup>	-	(69)	-
<i>o/w Litigation</i> <sup>(2)</sup>	(120)	(339)	(172)
<i>o/w FX</i> <sup>(2)</sup>	-	-	(334)
<i>o/w Other customer redress</i> <sup>(2)</sup>	(9)	(8)	(257)
<b>Reported 'below the line'</b>			
Own Credit Adjustment	136	168	120
Citizens discontinued operations	(66)	674	(320)
Citizens discontinued operations deconsolidation impact	1,147	-	-
Citizens non-controlling interest	(28)	(399)	95

<sup>(1)</sup> See footnote App 1 pg. 6 of the Q3 2015 IMS. <sup>(2)</sup> Fully allocated to businesses.

# Litigation and conduct

## End of Q3 2015 provisions (£m)



Litigation and conduct provision: £4.5bn, as at 30 September 2015

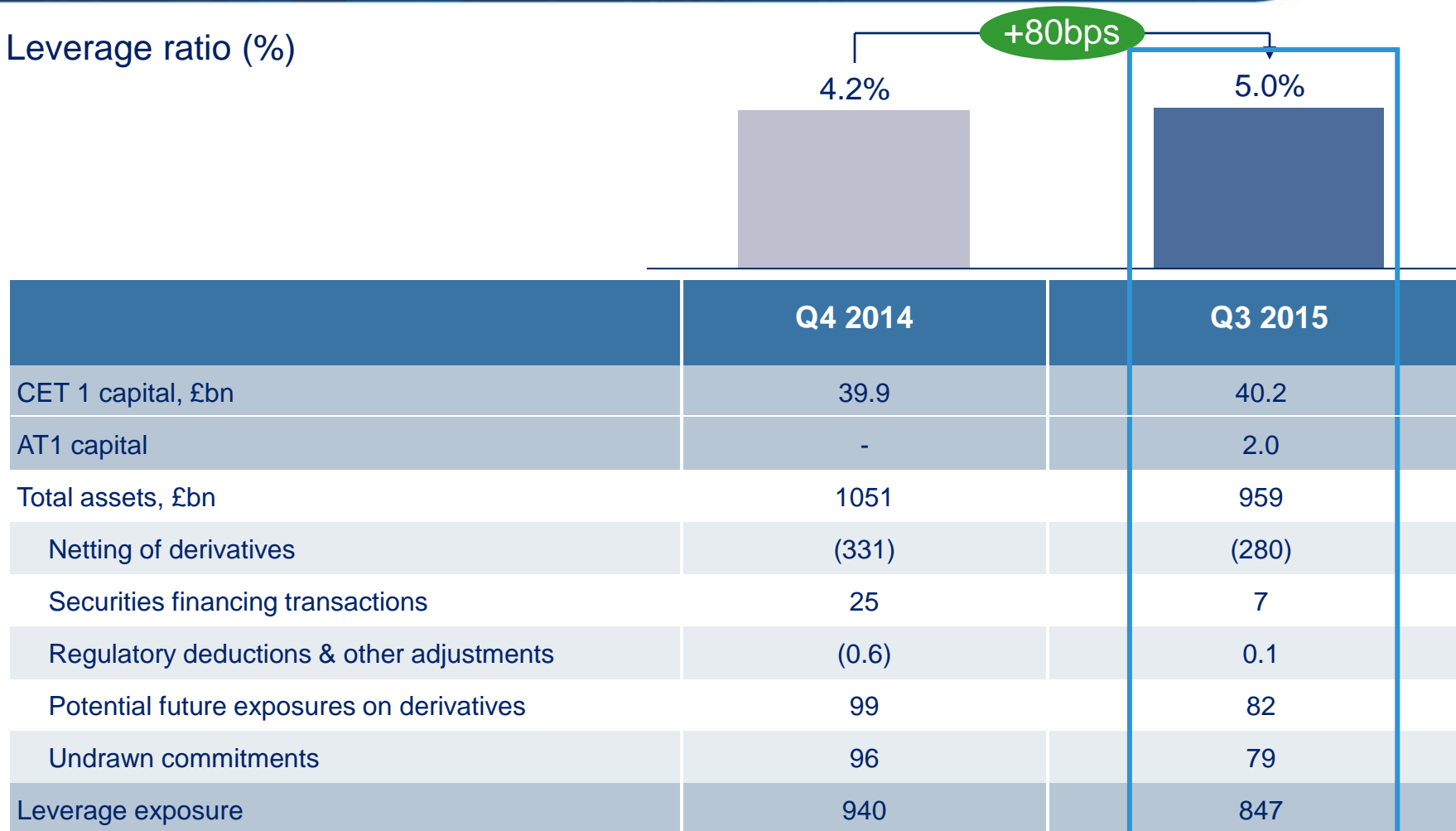
<sup>(1)</sup> Includes Other regulatory provisions and Litigation as per the Q3 2015 IMS p.32(note 3).  
<sup>(2)</sup> Closing provision primarily relates to investment advice and packaged accounts

	Comments
US RMBS	<ul style="list-style-type: none"> <li>Continue to work through RMBS litigation (both FHFA and other claimants) and other material RMBS related matters remaining outstanding, including DoJ, State Attorneys General</li> </ul>
FX and other market related investigations and claims	<ul style="list-style-type: none"> <li>Remain in discussions with various Governmental and Regulatory Authorities</li> </ul>
UK class action lawsuit over 2008 capital raising	<ul style="list-style-type: none"> <li>Trial of preliminary issues to commence in Dec 2016</li> </ul>
Various UK customer redress issues	<p>Includes:</p> <ul style="list-style-type: none"> <li>PPI: no additional provision taken in Q3 2015; provision now covers c.22 months at Q3 run rate; too early to assess impact of recent FCA statement on PPI time bar and Plevin</li> <li>IRHP: outcomes agreed with an independent reviewer on almost all cases</li> <li>Packaged accounts: dedicated resources put in place in 2013 to investigate and resolve complaints on an individual basis</li> </ul>
FCA SME treatment review	<ul style="list-style-type: none"> <li>Fully co-operating with the FCA review</li> <li>Timing of initial findings not confirmed but may be during Q4 2015/ Q1 2016</li> <li>Clifford Chance review concluded that there was no evidence to support the principal allegation</li> </ul>



# Leverage ratio – key drivers

Leverage ratio (%)



■ Q3 2015 leverage ratio pro-forma for divestment of Citizens would have been 5.6%

# Tangible Net Asset Value movements



	Q2 2015		
	£m	Shares in issue (m)	TNAV per share <sup>(1)</sup>
Starting TNAV	43,919	11,570	380p
Profit for the period <sup>(2)</sup>	1,094		9p
Less: profit attributable to NCI/ other owners	(142)		(1p)
Other comprehensive income	(284)		(2p)
Less: OCI attributable to NCI/ other owners	(13)		-
Redemption of preference shares	(206)		(2p)
Proceeds of share issuance	13	4	-
Other movements <sup>(3)</sup>	61		1p
	Q3 2015		
End of period TNAV	44,442	11,574	384p

<sup>(1)</sup>TNAV - Tangible Net Asset Value per Ordinary and B Shares <sup>(2)</sup>Profit for the period is pre non controlling interests and other owners dividends <sup>(3)</sup> Other reserve movements including intangibles.

P&L (£m)	Q3 2015	vs. Q2 2015	vs. Q3 2014
Income	(20)	n.m.	n.m.
Operating expenses <sup>(1)</sup>	(38)	(28%)	(55%)
<i>Restructuring costs</i>	(4)	+0%	+0%
(Impairments) / releases	46	(75%)	(92%)
<b>Operating profit / (loss)</b>	<b>(16)</b>	<b>n.m.</b>	<b>n.m.</b>
Balance sheet (£bn)			
Funded Assets	6.5	(23%)	(64%)
Risk elements in lending	5.1	(31%)	(71%)
Provision coverage	76%	+7ppts	+4ppts
RWAs	12.4	(14%)	(59%)
RWAc <sup>(2)</sup>	13.9	(22%)	(64%)

### Q3 2015 vs. Q3 2014

- Q3 2015 operating loss of £16m, reflecting reduced impairment releases as well as lower realisations on disposals and fair value gains
- RWAs reduced by £2bn reflecting ongoing disposal and run-off strategy
- Funded assets have fallen to £6.5bn, down 83% since the initial pool of assets were identified
- Targeting to achieve 85% reduction (down to £5.8bn) in funded assets by the end of Q4 2015, a year ahead of schedule

<sup>(1)</sup> Excluding restructuring costs. <sup>(2)</sup> RWA equivalent (RWAc) is an internal metric that measures the equity capital employed in divisions. RWAc converts both performing and non-performing exposures into a consistent capital measure, being the sum of the regulatory RWAs and the regulatory capital deductions, the latter converted to RWAc by applying a multiplier.

# 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', '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: The Royal Bank of Scotland Group plc's (RBS) transformation plan (which includes RBS's 2013/2014 strategic plan relating to the implementation of its new divisional and functional structure and the continuation of its balance sheet reduction programme including its proposed divestments of CFG and Williams & Glyn, RBS's information technology and operational investment plan, the proposed restructuring of RBS's CIB business and the restructuring of RBS as a result of the implementation of the regulatory ring-fencing regime, together the "Transformation Plan"), as well as restructuring, capital and strategic plans, divestments, capitalisation, portfolios, net interest margin, capital and leverage ratios, liquidity, risk-weighted assets (RWAs), RWA equivalents (RWAE), return on equity (ROE), profitability, cost:income ratios, loan:deposit ratios, AT1 and other capital raising plans, funding and risk profile; litigation, government and regulatory investigations including investigations relating to the setting of interest rates and foreign exchange trading and rate setting activities; costs or exposures borne by RBS arising out of the origination or sale of mortgages or mortgage-backed securities in the US; investigations relating to business conduct and the costs of resulting customers redress and legal proceedings; RBS's future financial performance; the level and extent of future impairments and write-downs; and RBS's exposure to political risks, credit rating risk and to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity and equity price risk. These statements are based on current plans, estimates, targets and projections, and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. For example, certain market risk and other disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

Other factors that could adversely affect our results and the accuracy of forward-looking statements in this document include the risk factors and other uncertainties discussed in the 2014 Annual Report and Accounts. These include the significant risks for RBS presented by the execution of the Transformation Plan; RBS's ability to successfully implement the various initiatives that are comprised in the Transformation Plan, particularly the balance sheet reduction programme including the divestment of Williams & Glyn and its remaining stake in CFG, the proposed restructuring of its CIB business and the significant restructuring undertaken by RBS as a result of the implementation of the ring fence; whether RBS will emerge from implementing the Transformation Plan as a viable, competitive, customer focused and profitable bank; RBS's ability to achieve its capital targets which depend on RBS's success in reducing the size of its business; the cost and complexity of the implementation of the ring-fence and the extent to which it will have a material adverse effect on RBS; the risk of failure to realise the benefit of RBS's substantial investments in its information technology and operational infrastructure and systems, the significant changes, complexity and costs relating to the implementation of the Transformation Plan, the risks of lower revenues resulting from lower customer retention and revenue generation as RBS refocuses on the UK as well as increasing competition. In addition, there are other risks and uncertainties. These include RBS's ability to attract and retain qualified personnel; uncertainties regarding the outcomes of legal, regulatory and governmental actions and investigations that RBS is subject to (including active civil and criminal investigations) and any resulting material adverse effect on RBS of unfavourable outcomes; heightened regulatory and governmental scrutiny and the increasingly regulated environment in which RBS operates; uncertainty relating to the referendum on the UK's membership of the EU and the consequences arising from it; operational risks that are inherent in RBS's business and that could increase as RBS implements its Transformation Plan; the potential negative impact on RBS's business of actual or perceived global economic and financial market conditions and other global risks; how RBS will be increasingly impacted by UK developments as its operations become gradually more focused on the UK; uncertainties regarding RBS exposure to any weakening of economies within the EU and renewed threat of default or exit by certain countries in the Eurozone; the risks resulting from RBS implementing the State Aid restructuring plan including with respect to the disposal of certain assets and businesses as announced or required as part of the State Aid restructuring plan; the achievement of capital and costs reduction targets; ineffective management of capital or changes to regulatory requirements relating to capital adequacy and liquidity; the ability to access sufficient sources of capital, liquidity and funding when required; deteriorations in borrower and counterparty credit quality; the extent of future write-downs and impairment charges caused by depressed asset valuations; the value and effectiveness of any credit protection purchased by RBS; the impact of unanticipated turbulence in interest rates, yield curves, foreign currency exchange rates, credit spreads, bond prices, commodity prices, equity prices; basis, volatility and correlation risks; changes in the credit ratings of RBS; changes to the valuation of financial instruments recorded at fair value; competition and consolidation in the banking sector; regulatory or legal changes (including those requiring any restructuring of RBS's operations); changes to the monetary and interest rate policies of central banks and other governmental and regulatory bodies and continued prolonged periods of low interest rates; changes in UK and foreign laws, regulations, accounting standards and taxes; impairments of goodwill; the high dependence of RBS's operations on its information technology systems and its increasing exposure to cyber security threats; the reputational risks inherent in RBS's operations; the risk that RBS may suffer losses due to employee misconduct; pension fund shortfalls; the recoverability of deferred tax assets; HM Treasury exercising influence over the operations of RBS; limitations on, or additional requirements imposed on, RBS's activities as a result of HM Treasury's investment in RBS; and the success of RBS in managing the risks involved in the foregoing.

The forward-looking statements contained in this document speak only as of the date of this announcement, and RBS does not undertake 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 solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.