



# Shareholder Event

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12 March 2015

Welcome

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Chief Executive

# Today's presentation



**Ambition to be #1 for customer service, trust and advocacy**

**Strategy working – strong execution against 2014 targets**

**2014 creates the platform to go further, faster on strategy:**

- Further reshaping of CIB
- CET1 ratio target raised to 13% for the period of CIB restructuring
- Citizens deconsolidation and RCR completion targeted by end 2015
- Higher cost reduction targets
- Simplify the bank for customers and colleagues

**Significant net capital benefits from acceleration of strategy with intent to distribute capital above CET1 target ratio<sup>(1)</sup>**

**Strong returns from a lower risk banking franchise**

<sup>(1)</sup> Subject to PRA approval.

# 2014 financial results



	FY13	FY14
<b>Income</b>	£19.4bn	£18.2bn
<b>Operating costs (excl. restructuring, conduct &amp; litigation)</b>	£14.0bn	£12.4bn
<b>Restructuring, conduct &amp; litigation costs</b>	£4.5bn	£3.5bn
<b>Impairment (losses) / recoveries</b>	£(8.4)bn	£1.2bn
<b>Operating (loss) / profit</b>	£(7.5)bn	£3.5bn
<b>Attributable (loss)</b>	£(9.0)bn	£(3.5)bn
<b>RWAs</b>	£429bn	£356bn
<b>CET1 ratio</b>	8.6%	11.2%
<b>Leverage ratio</b>	3.4%	4.2%

# Our blueprint for lasting success



## Our Ambition

**No.1**  
for customer service, trust and advocacy by 2020

## Our Purpose

Serve customers well

## Our Values

Serving customers   Working together   Doing the right thing   Thinking long term

## Our Brands

NatWest   Royal Bank of Scotland   *Coutts*   Ulster Bank

## Our Priorities

Strength and sustainability   Customer experience   Simplifying the bank   Supporting growth   Employee engagement

## Our long-term targets

CET1 ratio 13%  
RoTE  $\geq$  12%   No.1 for service, trust and advocacy   Cost: income ratio < 50%   Leading market positions in every franchise   Employee engagement  $\geq$  our peers

## Our 2015 Goals

Reduce RWAs to < £300bn	Improve NPS in every UK franchise	Reduce costs by £800m	Lending growth in strategic segments $\geq$ UK GDP growth	Raise employee engagement to within 7 points of our peers
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### To Note:

The cost reduction target excludes the costs of restructuring, conduct, litigation and intangible write-off charges, as well as the operating costs of Citizens Financial Group and Williams & Glyn.

Employee engagement is measured against the Global Financial Services norm which currently stands at 83%.

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Q&A