

RBS Overview

RBS Annual Results 2015 Factbook

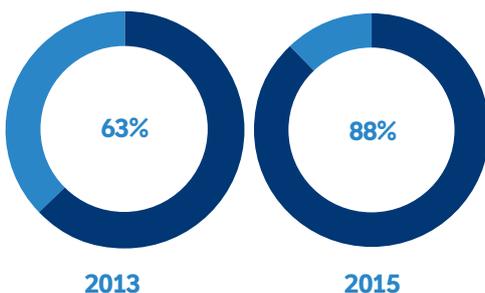
Progress in 2015

- We are stronger. Our capital ratio is up 690 basis points in two years to 15.5%, and our core businesses are delivering an adjusted Return on Equity of 11%.
- We are simpler. Our systems are now less complicated and more robust. We've cut operating costs by over £2 billion in the last two years.
- We are better for customers. Service times are improving. We are bringing better products to market so we can deepen our relationships with our customers. The bank is leading the fairness agenda on issues like teaser rates.
- We are growing our core businesses. We're equipping our front line with better training so they can meet more of our customers' needs and our lending to UK households and businesses was up 4.8% in 2015.

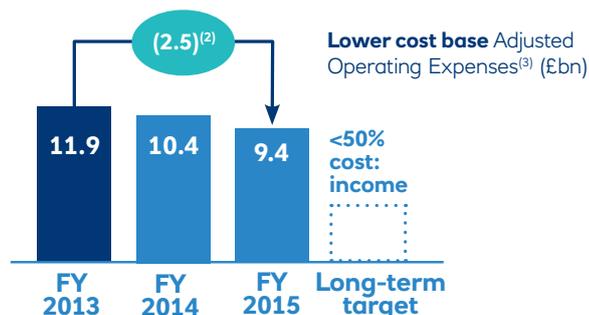
Delivering our plan

Our ambition is to be No. 1 for customer service, trust and advocacy. In 2015 we went further, faster on our plan:

1. 88% of our revenue was generated in the UK in 2015, up from 63% in 2013. Our target is 90%.

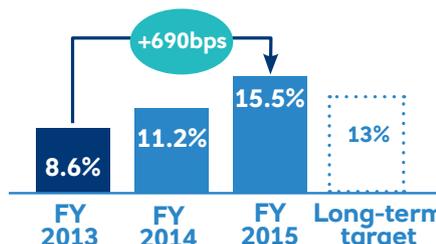


2. We continued to cut costs effectively. We beat our £800m cost target for 2015 by taking out £983m⁽¹⁾.



3. We boosted our capital position further, making the bank even stronger. The sale of Citizens, our US bank, and the run-down of RBS Capital Resolution one year ahead of schedule, have boosted our capital ratio to 15.5%.

Improved capital strength CET1 capital ratio



⁽¹⁾ Excluding litigation and conduct costs, restructuring costs, write-down of intangible assets and the operating costs of Williams and Glyn. ⁽²⁾ £2.5bn reduction in adjusted operating expenses includes lower intangible write-offs and movements in FX. ⁽³⁾ Excludes restructuring costs, litigation and conduct costs, and write down of goodwill.

Supporting customers

We have a single, simple purpose – to serve customers well. This is at the core of our ambition to build a bank known for its consistent, high quality customer service.

Personal customers

In UK mortgage lending, balances are up 10% year on year and we're winning market share.



We were one of the 1st UK banks to offer the Help to Buy ISA

and our **Reward** account gives customers 3% back on household bills for £3 a monthly account fee.



50% of our branch network has now been modernised

including 322 branches in 2015. We also launched 12 new mobile branch routes in 2015.



3.7 million active users of our mobile app, up 27% on 2014.



Worked in partnership with the Citizens Advice Bureau (CAB)

to ensure customers in financial difficulty are immediately transferred to an in-house CAB adviser.



Business customers

We grew our Commercial Banking lending book by £1.4bn or 1.6% during 2015. During that time the market was flat.⁽¹⁾



We've also supported over 97,000 start-up businesses

during 2015, that's just over a fifth of all start-ups.



12,500 Statements of Appetite issued to business customers offering up to £8 billion of new lending.



Cut the average account opening time for Business Banking customers in half and for Commercial customers by 30%.



Contact

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⁽¹⁾ 12 month growth rate at December 2015 of loans to Non-Financial Businesses (Source: Bank of England)