
Retail Banking Services

John Mulcahy, Group Executive

15 May 2002



Disclaimer

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Speaker's Notes

- Speaker's notes for these presentations are attached below each slide.
- To access them, you may need to save the slides in PowerPoint and view/print in "notes view."

Agenda

- **RBS Strategy**
- **RBS Structure**
- **Implementation**
- **Summary**
- **Questions**

Retail Banking Services

RBS will deliver long-term shareholder value through focusing on cost effective and efficient delivery to our customers across all products, services and channels.

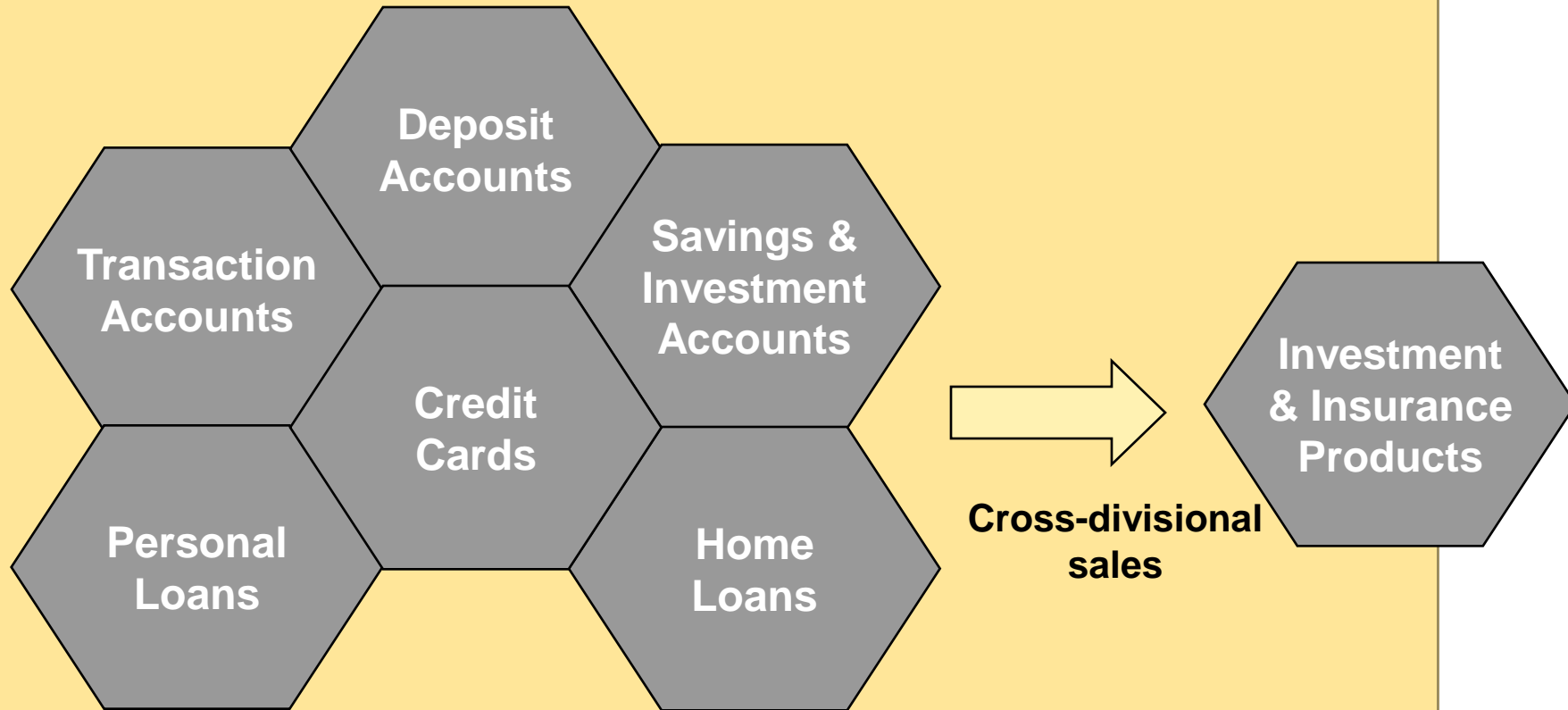
RBS Vision

**The *customer experience* we create
will make us *first choice* for banking,
investment and insurance services**

RBS - Product Offering

Retail Banking Services

“Building Wealth for Personal Banking Customers”



RBS - Customer Experience

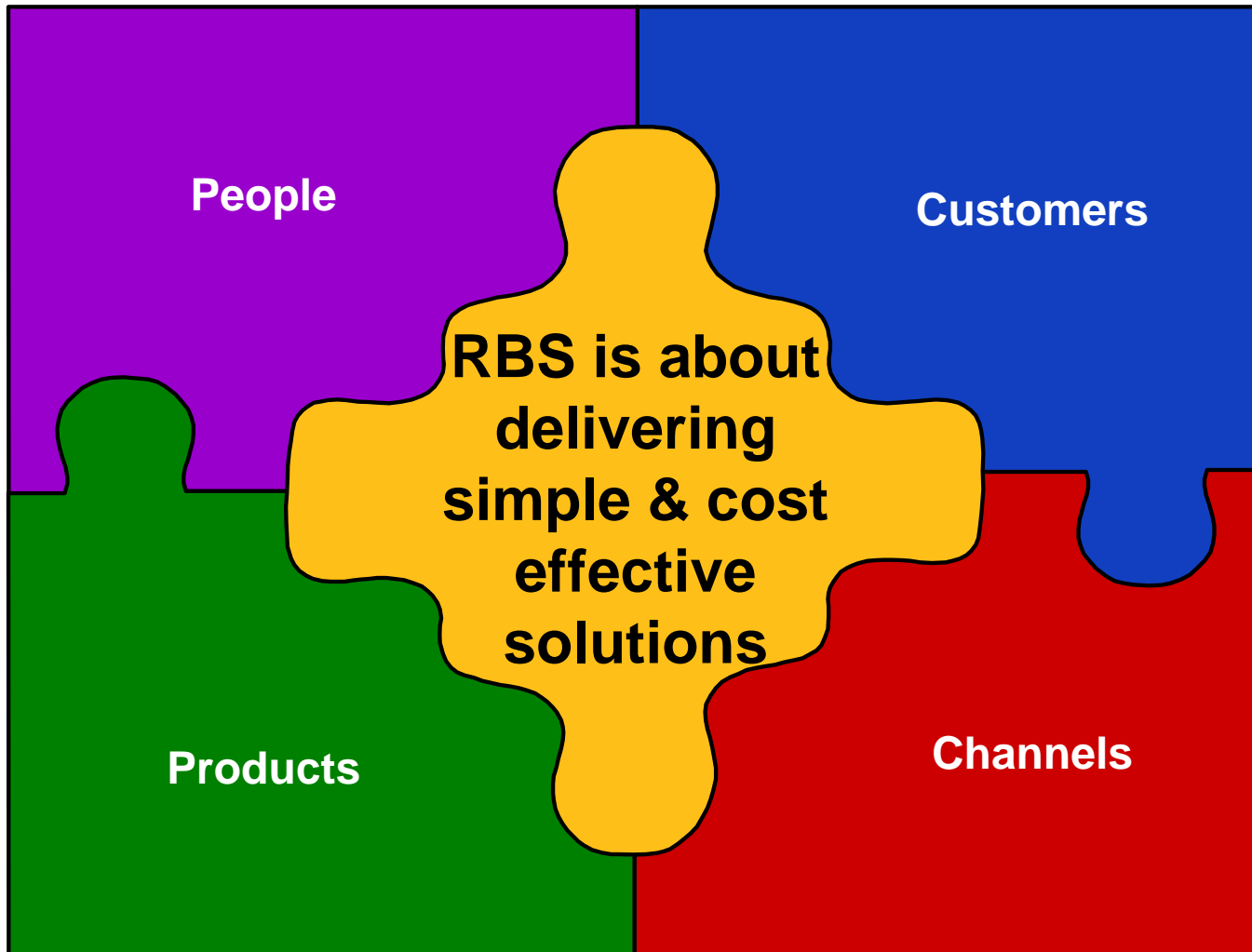
Retail Banking Services
“Building Wealth for
Personal Banking Customers”

End to end customer experience

Back office → Front office → Staff → Service & Distribution → Customer



RBS - Core Values



Segmenting our mass customer base is key to delivering relevant personal banking solutions

Retail Banking Services Mass Customer Base

Youth

Day to Day

**Home
Owners**

**Wealth
Builders**



RBS - the Youth Segment is a Core Growth Opportunity

Continue driving acquisition initiatives to support our leading share of the youth market

+

Proactively manage vital youth customer relationships into adolescence and master segment migration into home owners, day to day and wealth builders segments in adulthood

=

High share of adult customer relationships with high product penetration and lifetime customer retention

RBS - Our Service Differentiation will also Drive Growth

Our Core Product is Service

Increased sales do not always result in quality service, but our quality service will produce increased sales.



6 Key Strategic Themes to Achieve the Vision

Customer Service

- ◆ Consistently meet & exceed customers' service expectations

Technology & Processes

- ◆ Deliver greater value to our customers and shareholders by having efficient and cost effective processes

People

- ◆ Assemble the best people to build an empowered and motivated customer focussed team

Products

- ◆ Provide simple and cost effective personal banking solutions that are competitive

Segmentation

- ◆ Segmenting the personal customer base to deliver needs driven solutions as a foundation for excellent customer experiences

Distribution

- ◆ Optimise channel mix to enable customers to self-select the most appropriate channel to interact with us in a way that provides value to the customer and the organisation



RBS Strategic Success

Service Excellence - A Critical Measure

Service Quality Measurement

- External research of our customers actual service experience

Linked to

- Measurement & management of service quality delivery

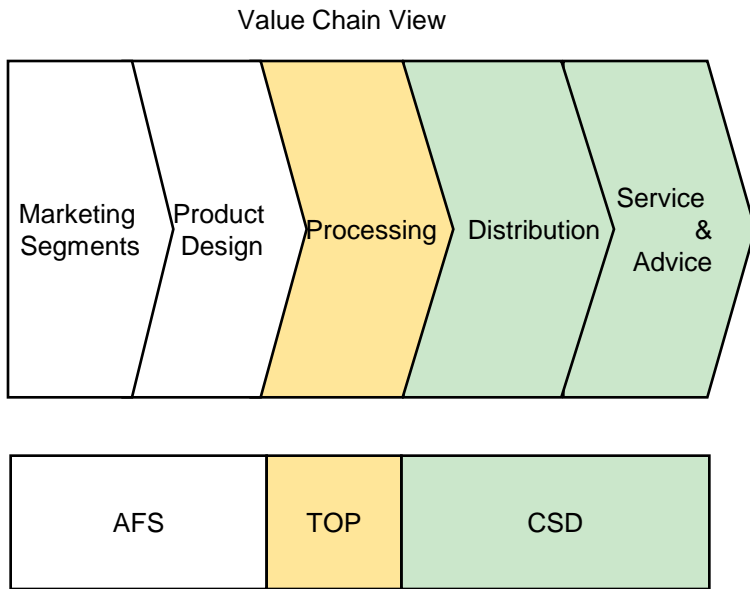
Based on

- Five service quality factors
 - Presentation
 - Knowledge
 - Response
 - Accuracy
 - Initiative

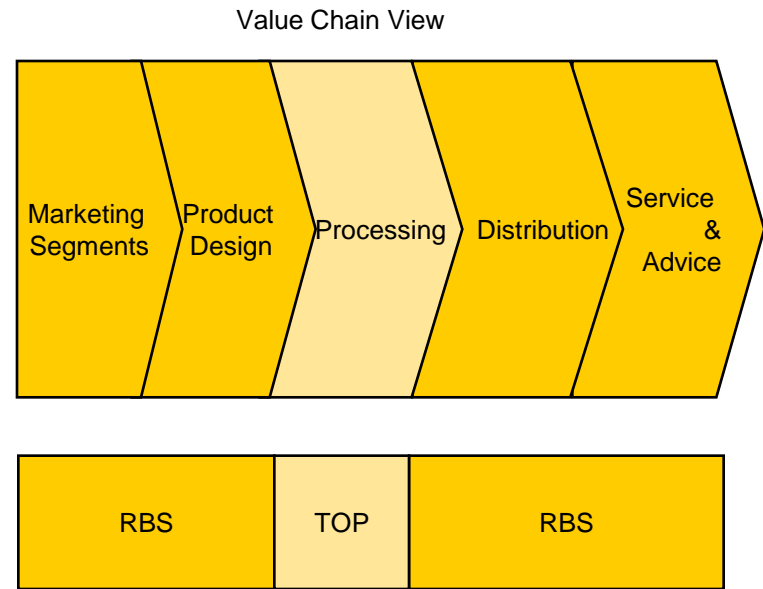


For the first time the new RBS structure enables a complete end to end customer experience

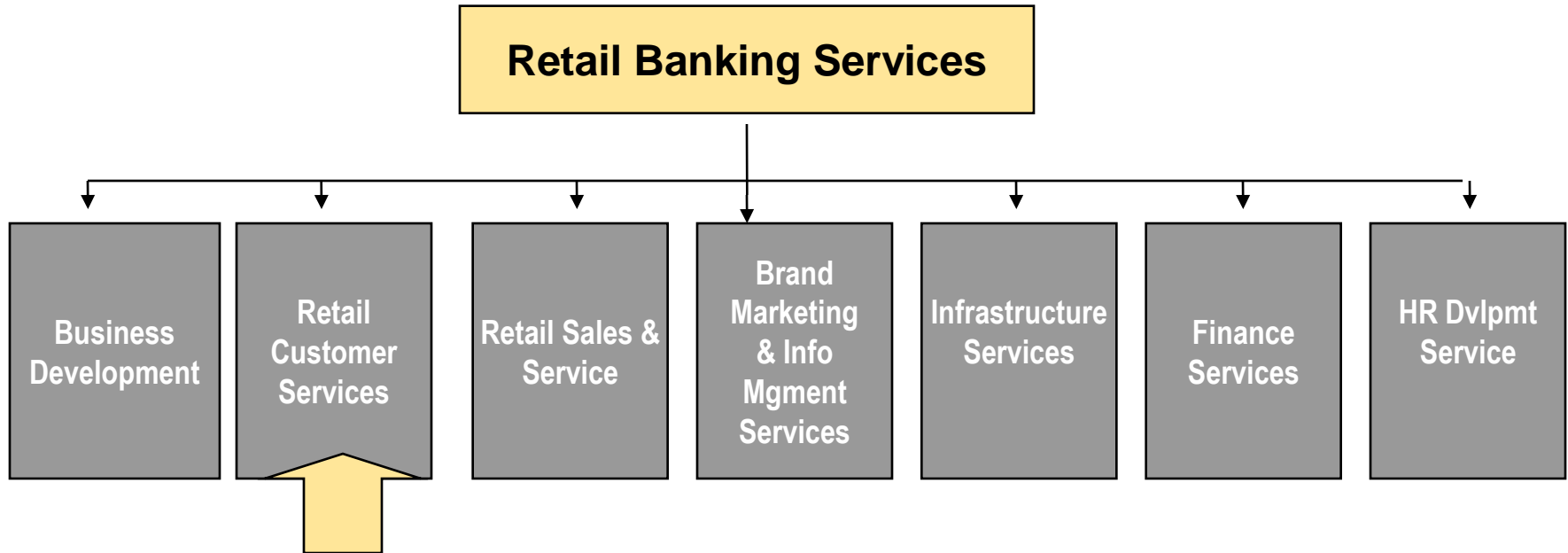
Previous Retail Bank structure



New Retail Bank structure

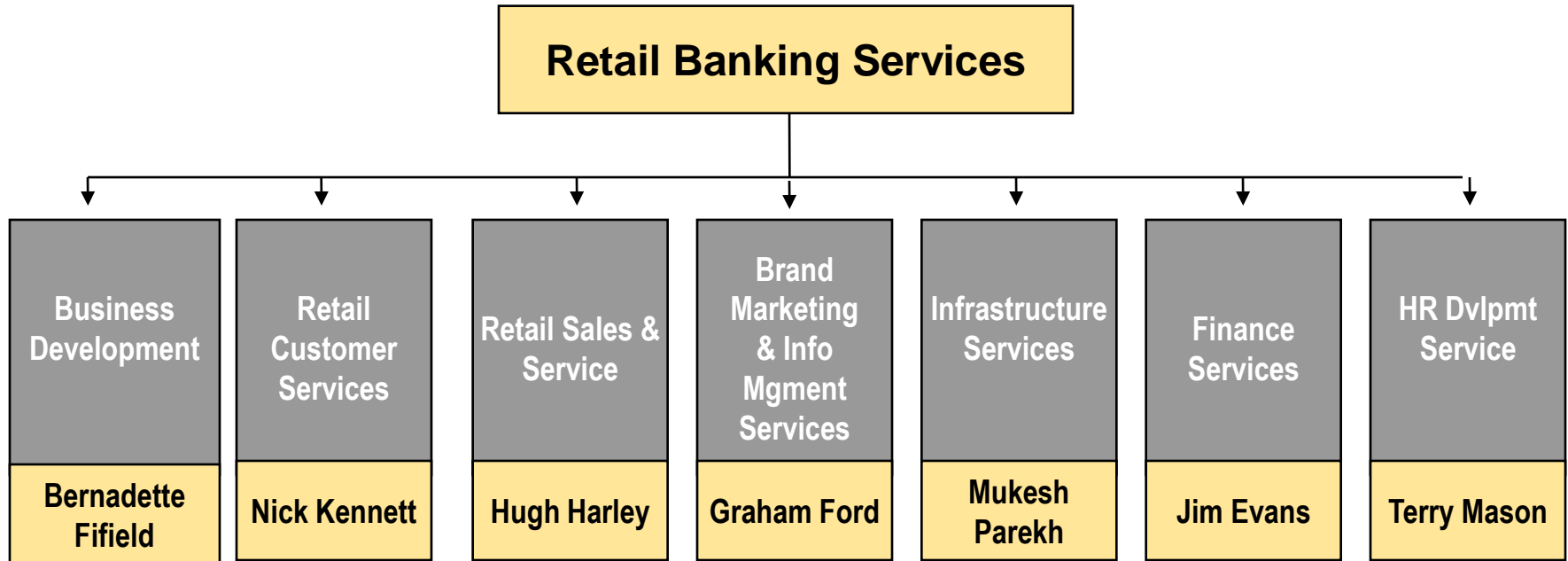


RBS - Structure



The customer division will be the key driver of strategy and business direction and will be primarily accountable for end to end design, delivery and profitability of the current and future RBS Customer Business Models

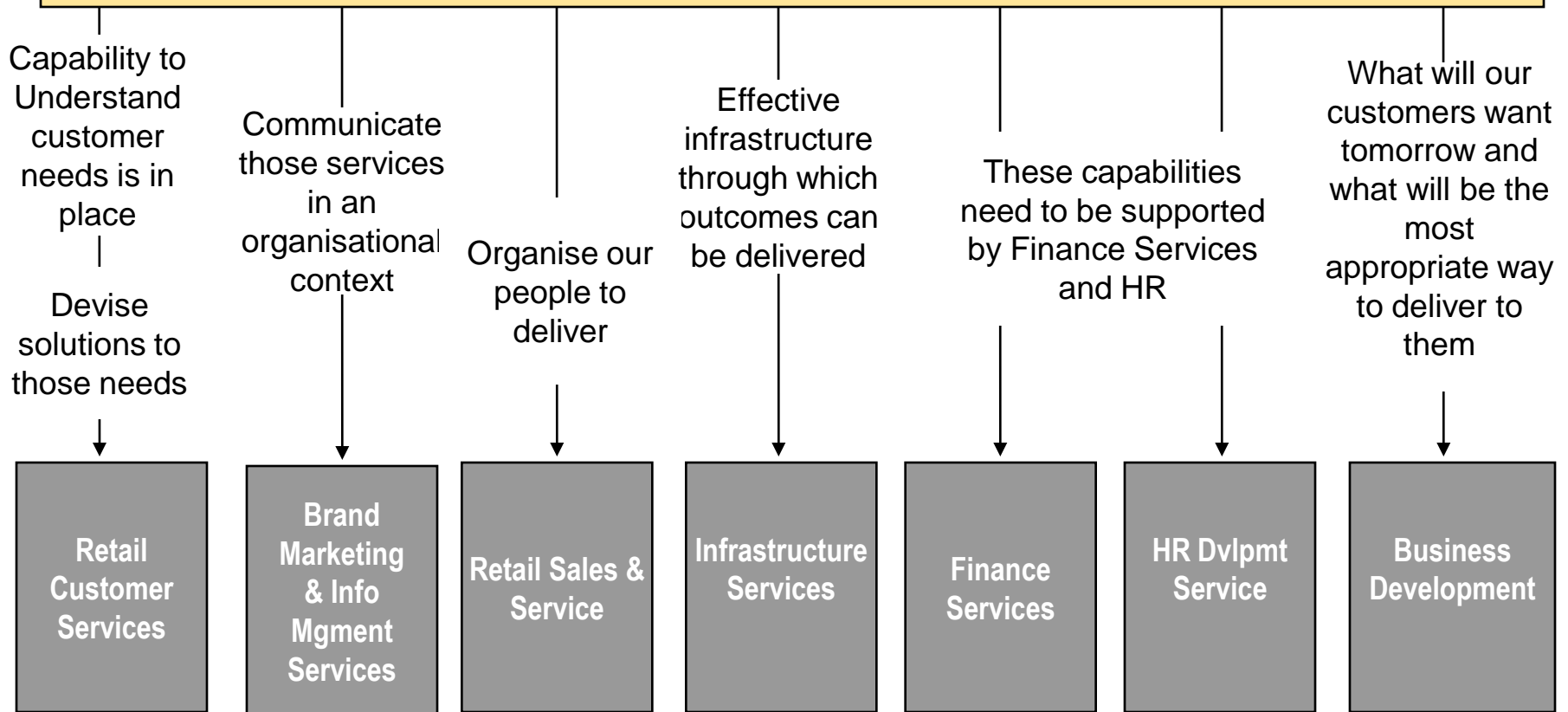
RBS - Management Structure



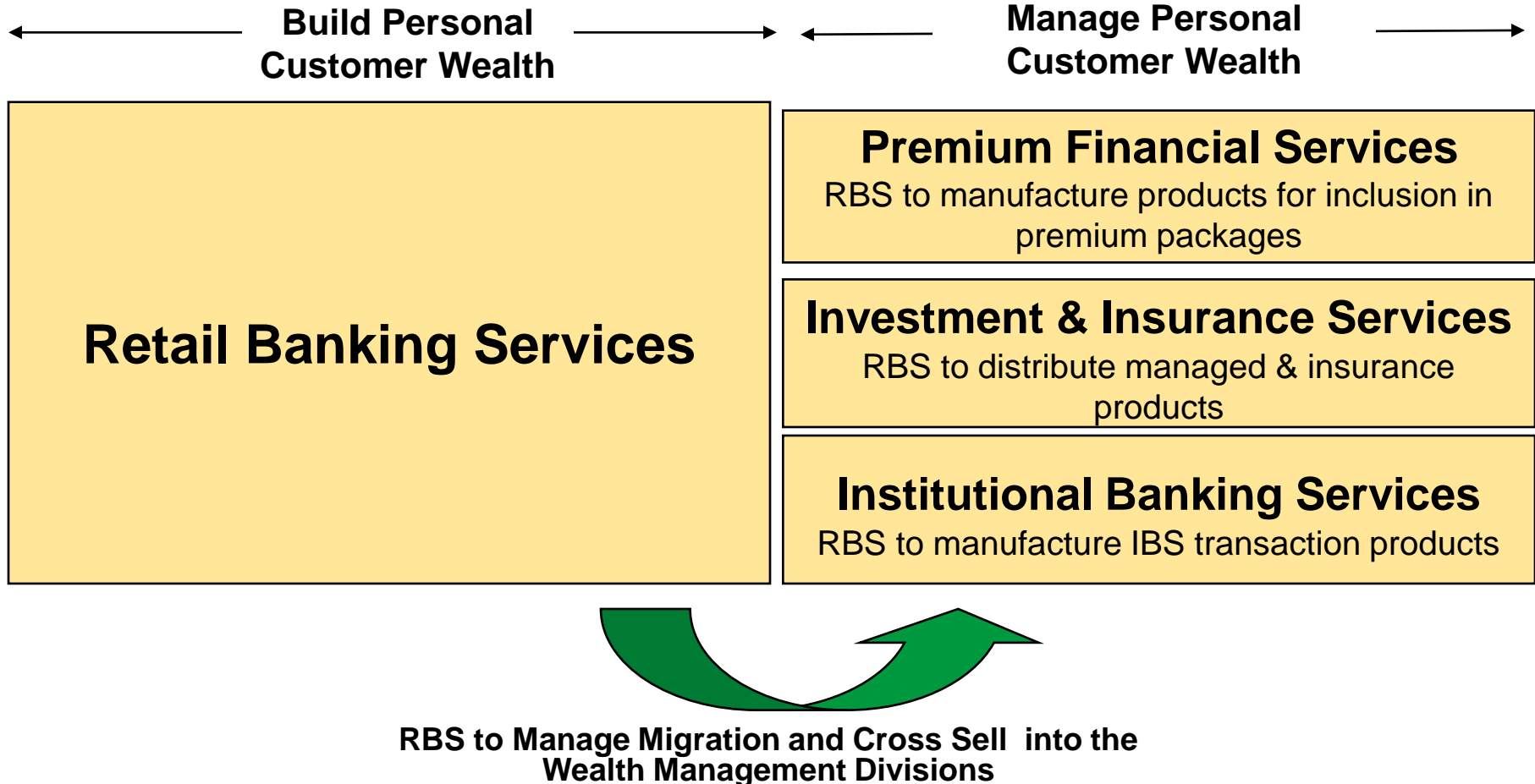
RBS - the end to end Retail Bank built around customer needs

Aim of the restructure

for RBS to serve the mass customer market with competitive products and excellent service to differentiate it from its peers



RBS - Interaction with other Divisions



Key Measurements of Success

Implement key success measures to:

- Monitor our execution of our key strategy - *‘better service at a lower cost’*
- Monitor our success in making our people a competitive advantage



Key Performance Measures to Monitor Success

- Revenue
- Costs
- Sales productivity measures
- Service quality measures
- Products per customer
- People measures



Summary

- **We have implemented the new RBS structure and it is now operational**
- **Restructure initiatives will make a difference. Post implementation results will flow through progressively.**
- **Cultural transformation to underpin customer centric focus now underway**



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