

Measuring success



RBS TrustAssured
8th Floor, Premier Place,
2 ½ Devonshire Square
London, EC2M 4BA
United Kingdom
Phone: +44 (0) 800 068 6178
Email: trustassured@rbs.co.uk
www.trustassured.co.uk
LSE: RBS
NYSE: RBS-PQ (ADRs)

Head of TrustAssured
George Evers

ROI Study Highlights

- ROI of 375% in five years
- IRR of 96% in five years
- Payback within 1 year
- £ 4.5 Million (USD \$ 8.9M) Net Savings over five years

Key Benefits

- Lower TCO
- Lower legal costs from leveraging IdenTrust scheme
- Access to more pre-integrated identity authentication enabled application vendors

Study Scope

- Identity Authentication enabled solutions
 - UK BACSTEL-IP Payments
 - Asset-based lending
 - White-label solution
 - New core-banking solutions

Royal Bank of Scotland makes use of IdenTrust for flexible, cost-effective identity authentication platform—realises a 375% ROI

Executive Summary

Founded in 1727, the Royal Bank of Scotland (RBS) is one of the world’s leading financial services groups. RBS is the fifth largest bank in the world, and by market capitalisation is the second largest bank in the UK and Europe, and the seventh largest bank in the United States. In March 2000, The Royal Bank of Scotland Group completed the acquisition of NatWest in a £21 billion deal that was the largest take-over in British banking history. In 2005 RBS reported net income of £25.6 billion and an operating profit of £8.3 billion. The company employs a workforce of 137,000 people worldwide.

In April 2001, RBS launched its TrustAssured Service, taking a portfolio approach to the issue of Identity Authentication in order to deliver a comprehensive solution for its customers. RBS’s end-to-end managed service, based on Public Key Infrastructure (PKI), asks users to authenticate themselves each time they connect to their online systems. Once online, RBS’s service allows them to conduct business securely by providing capabilities such as the authorisation of transactions or the signing of documents with legally binding digital signatures.

Top-Priority Objectives of TrustAssured

The management team leading the TrustAssured service established the following as their top-priority objectives, based on the core vision for this key business unit within RBS:

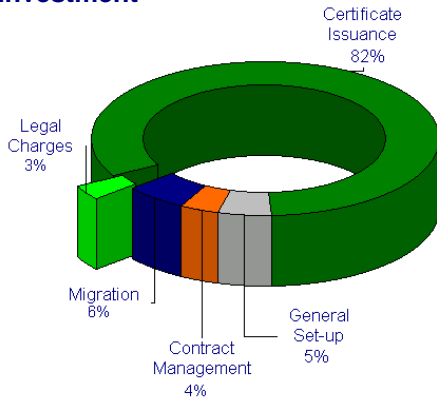
- Add value to RBS’s core financing business by wrapping Identity Authentication around the solution, thereby minimizing risks and differentiating RBS in the market
- Provide unique Digital Identity Credentials as part of online banking solutions to eliminate the threat of interacting with unknown counterparties over the web
- Improve collaboration between banks in a trust model — one that leverages robust identity authentication to enable secure and cost-effective commerce via the Internet
- Leverage RBS’s expertise to offer “gold standard” trust services and infrastructure to third parties

RBS, by moving to IdenTrust hosted infrastructure service, is now able to provide more flexible, adaptable identity authentication solutions as enablers to RBS’s core payments and financing businesses, which translates into increased solutions offerings and revenue for the Bank. With IdenTrust, RBS is now able to increase its reach and solution offerings to existing and new customers as it will be able to deliver identity-secured solution tailored by media and price point that best meets the end-customers’ application needs.

RBS, with an IdenTrust service, is achieving a more flexible, cost-effective solution that will enhance its growth and profitability opportunities translating into an impressive financial Return On Investment (ROI) of 375% in five years.

Financial Impact

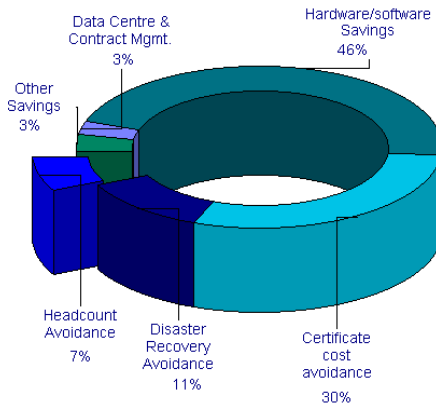
Investment



Quantifying the IdenTrust Investment

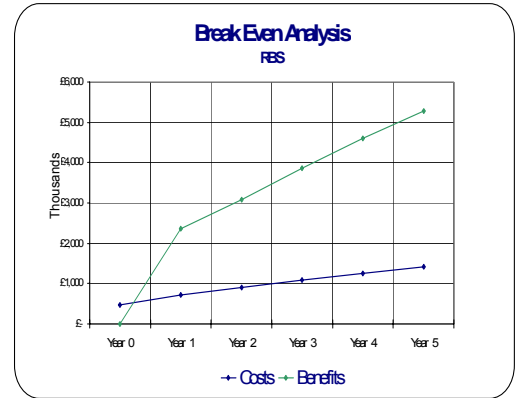
- General setup costs comprise 5% of the total investment, including the one-time cost for connecting to the IdenTrust network
- Contract Management and Migration costs are a nominal 10% of the overall making the transition an easy decision
- Certificate issuance is 82% of RBS's investment, illustrating the low entry cost to IdenTrust

Benefits



Benefits achieved from IdenTrust

- Hardware and software savings comprise 46% of the overall benefits; reducing RBS's infrastructure investment and allowing it to focus on running its core business
- Greater efficiency is contributing 7% of the overall benefits
- Greater flexibility and reduced certificate costs are a key contributor of 30% of the overall benefits



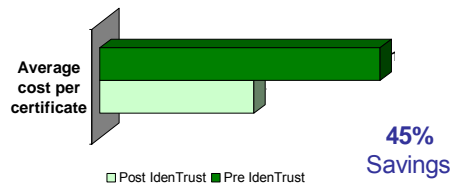
IdenTrust Breakeven Analysis

- RBS'S previous solution required a technology refresh every 3 years at their cost, which would have entailed significant capital investment to address hardware / software upgrades and licensing costs
- Breakeven is achieved in the first year, given IdenTrust's 'pay as you go' model allows RBS to invest in business capabilities and solutions vs. infrastructure

Operational Impact

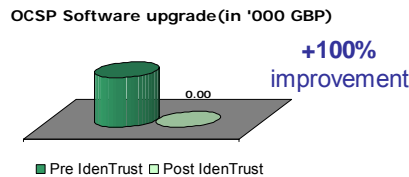
Lower cost certificates

RBS is now planning to manage higher-volume transactions, due to the lower costs associated with issuing certificates, as well as the increased flexibility of the IdenTrust platform, including ability to employ the onboard key generation capability. For example, this model is now extendable to a wider range of corporate and retail customers, with the potential for RBS to expand its efforts in online banking.



Lower TCO for OCSP

IdenTrust also provides the Online Certificate Status Protocol (OCSP) responder free of charge, whereas under the old model the software upgrade of OCSP software alone was a significant cost to RBS



Future Benefits

Harvesting additional value

Deploy and Leverage IdenTrust's four corner model

RBS currently primarily leverages the technology and operation models from IdenTrust. As RBS evolves its TrustAssured business, the ability to leverage IdenTrust's value (policy, legal and operational framework) will allow it to move beyond its core BACSTEL-IP payments business to cross-border commerce

Digital Signatures

Further leverage digital signatures as 'wet signature' alternative to all cross-border commerce

Expand customer base

Leverage flexible, cost effective model to sell RBS's infrastructure solution to other banks and financial institutions as a flexible, low-cost provider