

Royal Bank of Scotland Group

31 July 2018

The Royal Bank of Scotland Group plc – update on ring-fencing plans

In previous updates on 30 April 2018 and 15 May 2018 on various steps being implemented as part of the ring-fencing strategy of The Royal Bank of Scotland Group plc ("**RBSG**" and, together with its subsidiaries, the "**RBS Group**"), the RBS Group referred to its application to the Court of Session in Scotland (the "**Court**") for approval to implement a second Ring-Fencing Transfer Scheme (the "**Scheme**") under Part VII of the Financial Services and Markets Act 2000 to transfer the customer interest rate and foreign exchange derivatives business of National Westminster Bank Plc ("**NatWest Bank**") to NatWest Markets Plc ("**NatWest Markets**"). The RBS Group announces that, following the approval of the Prudential Regulation Authority to that application, the Scheme has today been sanctioned by the Court.

The RBS Group intends to implement the Scheme on and with effect from 13 August 2018.

Copies of the Scheme, and the Order of the Court sanctioning the Scheme, are available free of charge on application to CMS Cameron McKenna Nabarro Olswang LLP at Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN.

The Scheme can also be viewed on the following website:

<https://www.rbs.com/rbs/ringfencing/rfts-documents.html>

For more details of the additional restructuring steps and end-state ring fencing business model for the RBS Group please refer to the 2017 RBS Annual Report and Accounts, including pages 109-110.

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Forward Looking Statements

This announcement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including those related to RBS and its subsidiaries' regulatory capital position, and requirements, financial position, future pension funding requirements, on-going litigation and regulatory investigations, profitability, risk-weighted assets, impairment losses and credit exposures under certain specified scenarios. In addition, forward-looking statements may include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "plans", "believes", "risk", "estimates" and words of

similar import. These statements concern or may affect future matters, such as RBS's future economic results, business and capital plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, exchange rate fluctuations and general economic conditions. These and other factors, risks and uncertainties that may impact any forward-looking statement or RBS's actual results are discussed in RBS's UK annual report and accounts and interim reports and materials filed with, or furnished to, the US Securities and Exchange Commission, including, but not limited to, RBS's Reports on Form 6-K and most recent Annual Report on Form 20-F. The forward-looking statements contained in this announcement speak only as of the date of this announcement and RBS does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

Legal Entity Identifiers

The Royal Bank of Scotland Group plc	2138005O9XJIJN4JPN90
National Westminster Bank Plc	213800IBT39XQ9C4CP71
NatWest Markets Plc	RR3QWICWWIPCS8A4S074