**The Royal Bank of Scotland Group plc**

4 April 2018

**RBS notes credit ratings action by Moody's**

The Royal Bank of Scotland Group plc ("RBS") notes the decision by the credit rating agency Moody’s Investors Services ("Moody’s") to amend a number of ratings across the group, including:

* Affirm The Royal Bank of Scotland Group plc’s senior unsecured debt ratings at Baa3 and assign a notional group Baseline Credit Assessment (BCA) of baa3 and stable outlook.
* Upgrade the long term deposits rating of National Westminster Bank Plc and Ulster Bank Limited to A1 (from A2) and the senior unsecured debt rating to A2 (from A3), and change the rating outlook to “stable” (from “on review for upgrade”).
* Affirm the short term credit rating of National Westminster Bank Plc and Ulster Bank Limited to Prime-1 for deposits and upgrade the short term senior unsecured debt rating to Prime-1 (from Prime-2).
* Downgrade the deposits and senior unsecured debt rating of The Royal Bank of Scotland plc (future NatWest Markets Plc) and The Royal Bank of Scotland N.V. to Baa2 (from A2 and A3), the Counterparty Risk Assessment (“CRA”) to A3(cr) (from A2(cr)) and change the rating outlook to “stable” (from “on review for downgrade”).
* Affirm the short term credit rating of The Royal Bank of Scotland plc (future NatWest Markets Plc) and The Royal Bank of Scotland N.V. at Prime-2.
* Upgrade Ulster Bank Ireland DAC’s long-term deposits rating to Baa1 (from Baa2) and issuer ratings to Baa2 (from Baa3) and upgrade the short-term issuer ratings to Prime-2 (from Prime-3)
* Convert into definitive the provisional long term and short term deposits rating assigned to Adam & Company PLC (future The Royal Bank of Scotland plc) at A1 and Prime-1 respectively.

These actions reflect Moody’s view that “Under ring-fencing, RBS plc’s (future NatWest Markets Plc) and RBS NV’s credit profiles will be weaker as they are focused mostly on capital markets and wholesale activities and have a greater reliance on wholesale funding. Conversely, NatWest Bank’s and UBL’s credit profiles will be stronger, due to their mostly retail, SME and large corporate banking activities and largely deposit-based funding profiles.”

Moody's summary credit ratings:

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| **Entity** | **Long term rating** | **Short term rating** | **Status post-Ringfencing** |
| The Royal Bank of Scotland Group plc | Baa3 | P-3 | Holding Company |
| National Westminster Bank Plc | A1 (deposits)/A2 (senior unsecured debt) | P-1 | Ring-fenced bank |
| Ulster Bank Limited | A1 (deposits)/A2 (senior unsecured debt) | P-1 | Ring-fenced bank |
| Adam & Company PLC (future The Royal Bank of Scotland plc) | A1 (deposits) | P-1 | Ring-fenced bank |
| Ulster Bank Ireland DAC | Baa1 (deposits)/Baa2 (issuer rating) | P-2 | Ring-fenced bank |
| The Royal Bank of Scotland plc (future NatWest Markets Plc) | Baa2 (deposits and senior unsecured debt)/A3(cr) (CRA) | P-2 | Non Ring-fenced bank |
| The Royal Bank of Scotland N.V. | Baa2 (deposits and senior unsecured debt) | P-2 | Non Ring-fenced bank |

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**Forward-looking statements**

This announcement contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including (but not limited to) those related to RBS and its subsidiaries' regulatory capital position and requirements, financial position, future pension funding and contribution requirements, ongoing litigation and regulatory investigations, profitability and financial performance (including financial performance targets), structural reform and the implementation of the UK ring-fencing regime, the implementation of RBS’s restructuring and transformation programme, impairment losses and credit exposures under certain specified scenarios, increasing competition from new incumbents and disruptive technologies and RBS’s exposure to political risks, operational risk, conduct risk, cyber and IT risk and credit rating risk. In addition, forward-looking statements may include, without limitation, the words ‘expect’, ‘estimate’, ‘project’, ‘anticipate’, ‘commit’, ‘believe’, ‘should’, ‘intend’, ‘plan’, ‘could’, ‘probability’, ‘risk’, ‘Value-at-Risk (VaR)’, ‘target’, ‘goal’, ‘objective’, ‘may’, ‘endeavour’, ‘outlook’, ‘optimistic’, ‘prospects’ and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as RBS's future economic results, business 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, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and 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 2017 Annual Report and Accounts (ARA) and other materials filed with, or furnished to, the US Securities and Exchange Commission. 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.

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|  | Legal Entity Identifier |
| The Royal Bank of Scotland Group plc | 2138005O9XJIJN4JPN90 |
| The Royal Bank of Scotland plc | RR3QWICWWIPCS8A4S074 |
| National Westminster Bank Plc | 213800IBT39XQ9C4CP71 |
| Adam & Company PLC | 213800GC5AG3WC3FEM84 |
| Ulster Bank Ireland DAC | 635400KQIMALJ4XLAD78 |
| Ulster Bank Limited | 213800BZ9V4RRA2IRN26 |
| The Royal Bank of Scotland N.V. | X3CZP3CK64YBHON1LE12 |