16 May 2017

Capital reorganisation – notice of petition

The Royal Bank of Scotland Group plc (“**the Company**”) announced its intention alongside its Q3 2016 results to propose a resolution to shareholders to cancel the Company’s share premium account and capital redemption reserve (the “**Resolution**”), subject to the confirmation of the Court of Session (the “**Court**”). At the Company’s Annual General Meeting (“**AGM**”) on 11 May 2017, the Resolution was passed.

As at the date of the AGM, the balance of the Company’s share premium account was GBP25.8 billion and the balance of the capital redemption reserve was GBP4.5 billion. The effect of the capital reorganisation, if duly sanctioned by the Court, will be to increase the Company’s retained earnings by an equal amount.

On 11 May 2017, a Petition was presented to the Court seeking an order confirming the cancellation of the Company’s share premium account and capital redemption reserve. A copy of the notice of the Company’s application is set out below.

NOTICE OF APPLICATION TO THE COURT

“THE ROYAL BANK OF SCOTLAND GROUP PLC

Company Number: SC045551

Notice is hereby given that, on 11 May 2017, a Petition was presented to the Court of Session in Edinburgh (the “**Court**”) by The Royal Bank of Scotland Group plc (the “**Company**”), a public company registered in Scotland under the company number SC045551 and with its registered office at 36 St. Andrew Square, Edinburgh, EH2 2YB, seeking an order confirming the cancellation of its share premium account and the cancellation of its capital redemption reserve (together, the “**Reduction**”), which were approved by a special resolution of the Company passed on 11 May 2017.

On 12 May 2017, the Court ordered (i) that the Petition be advertised once in each of The Edinburgh Gazette, The Scotsman, the Financial Times (UK and International editions) and The New York Times, and (ii) that any person claiming an interest in the Reduction lodge Answers to the Petition, if so advised, at the offices of the Court, 2 Parliament Square, Edinburgh EH1 1RQ within 21 days of the publication of the last of those advertisements. As the last of those advertisements is expected to be published on 16 May 2017, the deadline for lodging Answers to the Petition is expected to be on 6 June 2017.

Any such person may wish to seek independent legal advice. In accordance with its practice, the Court is also likely to consider any other objections which are made to it, in writing or in person at the hearing of the Petition to confirm the Reduction. That hearing is expected to take place at the Court on 15 June 2017. Should that date change, the new date will be advertised on the website of The Royal Bank of Scotland Group plc at http://investors.rbs.com/. A copy of this advertisement will also be available on that same web page.

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Solicitors to The Royal Bank of Scotland Group plc”

Information regarding our 2017 AGM can be found at:   
[www.investors.rbs.com/shareholder-centre/shareholder-meetings](http://www.investors.rbs.com/shareholder-centre/shareholder-meetings)

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Legal Entity Identifier: 2138005O9XJIJN4JPN90

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