**THE ROYAL BANK OF SCOTLAND GROUP PLC**

**Redemption of Non-Cumulative Dollar Preference Shares, Series S**

29 November 2018

The Royal Bank of Scotland Group plc (“**RBSG**”) has given notice to holders of the redemption in whole of its Series S Non-Cumulative Dollar Preference Shares (the “**Preference Shares**”).

The Preference Shares will cease to accrue dividends and shall be cancelled and all unmatured dividend coupons and talons (if any) shall become void for any purpose,as from the relevant redemption date.

The Preference Shares will cease to trade on the New York Stock Exchange from the Redemption Date (as defined below).

The redemption amount with respect to the Preference Shares shall be paid out of distributable reserves of RBSG.

**Redemption of USD Preference Shares**

Redemption on 31 December 2018 (the “**Redemption Date**”), in whole, of the Non-cumulative USD Preference Shares Series S (ADS CUSIP: 780097739 ADS ISIN: US7800977396), amount outstanding US$661,226,000.00 and the corresponding American Depositary Shares (“**ADSs**”), at the redemption price of US$25.00 per Preference Share and per ADS, plus accrued dividends for the current dividend period to the Redemption Date, which dividend shall equal US$0.412500 per Preference Share.

On the Redemption Date, the depositary for the American depositary receipts evidencing the ADSs will redeem the number of ADSs corresponding to the Preference Shares being redeemed at a price per ADS equal to the per share amount received by the depositary upon redemption of the Preference Shares. As from the Redemption Date, the holders of the ADSs representing the Preference Shares will, upon surrender of the ADSs, be entitled to receive funds deposited with The Bank of New York Mellon as depositary with respect to the Preference Shares, without interest.

Holders of the ADSs should read the notice relating to the redemption of the Preference Shares and Letter of Transmittal included in such notice for information on the actions that they need to undertake to receive the redemption proceeds.

For further information and copies of the notice and Letter of Transmittal, please contact The Bank of New York Mellon (depositary) at telephone number 1 866 241 9317; international callers may telephone +001 201 680 6825.

The Royal Bank of Scotland Group plc:

Scott Forrest

Head of RBS Debt Capital Markets & Capital Strategy

Tel: +44 131 626 1329

**MAR**

This announcement contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Scott Forrest, Head of RBS Debt Capital Markets & Capital Strategy for The Royal Bank of Scotland Group.

The Royal Bank of Scotland Group plc 2138005O9XJIJN4JPN90