**The Royal Bank of Scotland Group plc (“RBS”)**

17 January 2019

**Circular and Notice of General Meeting and Form of Proxy**

A special resolution (the Resolution) seeking authority from shareholders to make off-market purchases of Ordinary Shares from HM Treasury (or its nominee) will be proposed at a General Meeting to be held on Wednesday, 6 February 2019.

The Directors consider it may, in certain circumstances, be in the best interests of the Company and its shareholders for the Company to purchase its own shares from HM Treasury. The Company may agree with HM Treasury (or its nominee) to make off-market purchases of its Ordinary Shares at such times and on such number of occasions as the Directors may determine:

1. by way of one or more standalone purchases;
2. through a non-discretionary, broker-managed directed trading programme (subject to certain parameters); or
3. in conjunction with any offer or sale by HM Treasury (or its nominee) by way of or including an institutional placing.

Any such off-market purchases shall be made at the relevant market price on the date the Ordinary Shares are contracted to be purchased or, if made in conjunction with an institutional placing by HM Treasury (or its nominee), at the placing or offering price as determined through an open-market bookbuilding process, and otherwise on the terms and conditions of the Directed Buyback Contract, which are summarised in the Circular and Notice of General Meeting.

The purpose of the Directed Buyback Contract is to give the Company the flexibility, if appropriate at the relevant time and with the agreement of HM Treasury, to help facilitate the return of the Company to full private ownership through the use of the Company’s excess capital. The Directors will only make off-market purchases with HM Treasury’s agreement and where, in light of market conditions prevailing generally at the time, they consider that such off-market purchases will be in the best interests of shareholders as a whole.

The Board considers that the Resolution is in the best interests of the Company and its shareholders as a whole and unanimously recommends that all shareholders vote in favour of the Resolution as the members of the Board intend to do, or to procure, in respect of their own beneficial shareholdings.

Full details of the proposal are set out in the Circular and Notice of General Meeting.

RBS Chairman Howard Davies said:

*“This resolution would provide the bank with the flexibility to use some of its excess capital to buy back Government shares at a time and price agreed with HM Treasury. The Board believes that this is in the best interests of the bank and its shareholders by helping to facilitate the return of the company to full private ownership.”*

The RBS General Meeting will be held on Wednesday, 6 February 2019 at 3.00 pm at the RBS Conference Centre, RBS Gogarburn, Edinburgh EH12 1HQ and the Circular and Notice of General Meeting will also available to view at [www.rbs.com/gm](http://www.rbs.com/gm)

Copies of the above documents will be submitted to the National Storage Mechanism today and will be available for inspection at: [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)

The documents will be mailed or made available to shareholders today, the documents will also be available at [www.rbs.com/gm](http://www.rbs.com/GM)

Name of contact and telephone number for queries:-

Investor Relations

+ 44 (0)207 672 1758

Media Relations

+44 (0)131 523 4205

Legal Entity Identifier: 2138005O9XJIJN4JPN90