

SUPPLEMENTARY PROSPECTUS DATED 5 MAY 2020



The Royal Bank of Scotland Group plc

*(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,
registered number SC045551)*

£40,000,000,000

Euro Medium Term Note Programme

This supplement (the "**5th Supplementary Prospectus**") to the Prospectus dated 21 November 2019 (as supplemented, the "**Prospectus**"), which comprises a base prospectus for the purpose of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation and has been prepared in connection with the £40,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by, The Royal Bank of Scotland Group plc (the "**Issuer**" or "**RBSG**" and, together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "**Group**"). Terms defined in the Prospectus have the same meaning when used in this 5th Supplementary Prospectus.

This 5th Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus and the documents incorporated by reference therein.

The Issuer accepts responsibility for the information contained in this 5th Supplementary Prospectus. To the best of the knowledge of the Issuer such information is in accordance with the facts and makes no omission likely to affect its import.

Purpose of the Supplementary Prospectus

The purpose of this 5th Supplementary Prospectus is to update the sections entitled "*Terms and Conditions of the Ordinary and Tier 2 Notes*", "*Form of Final Terms*" and "*Form of Pricing Supplement*" in the Prospectus to include provisions to allow the Rate of Interest determined in respect of the First Reset Period and any Subsequent Reset Period to be calculated by reference to a government security or securities issued by the United Kingdom government in light of regulatory and market developments relating to the use of mid-market swap rates in respect of Sterling.

Terms and Conditions of the Ordinary and Tier 2 Notes

By virtue of this 5th Supplementary Prospectus, Condition 3(b) (*Interest on Reset Notes*) in the section entitled "*Terms and Conditions of the Ordinary and Tier 2 Notes*" on page 36 of the Prospectus shall be amended as follows:

- (a) the definitions of "First Reset Rate of Interest" and "Subsequent Reset Rate of Interest" shall be deleted in their entirety and:
 - (i) the definition of "First Reset Rate of Interest" shall be replaced by the following:

"First Reset Rate of Interest" means, in respect of the First Reset Period and, if applicable, subject to Condition 3(b)(ii), the rate of interest determined by the

Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin;" and

- (ii) the definition of "Subsequent Reset Rate of Interest" shall be replaced by the following:

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and, if applicable, subject to Condition 3(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin."; and

- (b) the following definitions shall be added (in the appropriate alphabetical order) after the reference to "In these Terms and Conditions:" in Condition 3(b)(i):

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at approximately 11.00 a.m. in London on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

"Reset Reference Bond" means for any Reset Period a government security or securities issued by the United Kingdom government selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in Sterling and of a comparable maturity to the relevant Reset Period;

"Reset Reference Bond Price" means, with respect to any Reset Determination Date:

- (i) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (ii) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (iii) if only one Reference Government Bond Dealer Quotation is received, such quotation; or

- (iv) if no Reference Government Bond Dealer Quotations are received, in the case of the First Reset Rate of Interest, the Initial Sterling Reference Bond Rate and, in the case of any Subsequent Reset Rate of Interest, the Sterling Reference Bond Rate as at the last preceding Reset Date;

"Reset Reference Rate" means either (i) the Mid-Swap Rate, or (ii) the Sterling Reference Bond Rate, as specified in the applicable Final Terms; and

"Sterling Reference Bond Rate" means, with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper *"Formulae for Calculating Gilt Prices from Yields"*, page 5, Section One: Price/Yield Formulae *"Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date"* (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date."

Form of Final Terms and Form of Pricing Supplement

By virtue of this 5th Supplementary Prospectus, item 15 (*Reset Note Provisions*) in the section entitled *"Form of Final Terms"* on pages 88 to 96 of the Prospectus and the section entitled *"Form of Pricing Supplement"* on pages 97 to 108 of the Prospectus shall each be amended as follows:

- (a) item 15(x) (*Mid-Swap Rate*) and item 15(xvii) (*Original Mid-Swap Rate Basis*) shall be deleted in their entirety and:

- (i) item 15(x) (*Mid-Swap Rate*) shall be replaced by the following:

"(x) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]"; and

- (ii) item 15(xvii) (*Original Mid-Swap Rate Basis*) shall be replaced by the following:

"(xvii) Original Mid-Swap Rate Basis: [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]"; and

- (b) the following shall be added as items 15(ix) and 15(x) (with the numbering in the rest of item 15 being adjusted accordingly):

"(ix) Reset Reference Rate: [Mid-Swap Rate/Sterling Reference Bond Rate]

(x) Initial Sterling Bond [•].
Reference Rate:

Other Information

To the extent that there is any inconsistency between any statement in this 5th Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in this 5th Supplementary Prospectus will prevail.

Save as disclosed in this 5th Supplementary Prospectus no other significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.