

Final Terms dated 21 March 2014

The Royal Bank of Scotland Group plc

Issue of €1,000,000,000 3.625 per cent. Subordinated Tier 2 Notes due 25 March 2024

under the £90,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 10 March 2014 and the supplemental Prospectus dated 19 March 2014, which together constitute a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the supplemental Prospectus are available for viewing, at:

http://www.rns-pdf.londonstockexchange.com/rns/9604B_-2014-3-10.pdf
http://www.rns-pdf.londonstockexchange.com/rns/6993C_-2014-3-19.pdf

1.	Issuer:	The Royal Bank of Scotland Group plc
2.	(i) Series Number:	3488
	(ii) Tranche Number:	1
	(iii) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3.	Specified Currency or Currencies:	Euro (€)
4.	Aggregate Nominal Amount:	
	(i) Series:	€1,000,000,000
	(ii) Tranche:	€1,000,000,000
5.	Issue Price:	99.632 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.
	(ii) Calculation Amount:	€1,000
7.	(i) Issue Date:	25 March 2014

	(ii) Interest Commencement Date	25 March 2014
8.	Maturity Date:	25 March 2024
9.	Interest Basis:	Reset Notes. 3.625 per cent. Fixed Rate from and including the Issue Date to but excluding 25 March 2019, thereafter the Notes shall bear interest at the relevant Reset Rate calculated in accordance with paragraph 15 below
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11.	Change of Interest Basis:	Reset Notes
12.	Put/Call Options:	Issuer Call
13.	Status of the Notes:	Tier 2 Notes

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	Not Applicable
15.	Reset Note Provisions	Applicable
	(i) Initial Rate of Interest:	3.625 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) First Margin:	+ 2.65 per cent. per annum
	(iii) Subsequent Margin:	Not Applicable
	(iv) Interest Payment Date(s):	25 March in each year up to and including the Maturity Date
	(v) Fixed Coupon Amount up to (but excluding) the First Reset Date:	€36.25 per Calculation Amount
	(vi) Broken Amount(s):	Not Applicable
	(vii) First Reset Date:	25 March 2019
	(viii) Second Reset Date:	Not Applicable
	(ix) Subsequent Reset Date(s):	Not Applicable
	(x) Relevant Screen Page:	Reuters Screen ISDAFIX2 page (or any successor or replacement page) under the heading "EURIBOR BASIS – EUR"
	(xi) Mid-Swap Rate:	Single Mid-Swap Rate

(xii)	Mid Swap Maturity:	5 years
(xiii)	Day Count Fraction:	Actual/Actual (ICMA)
(xiv)	Determination Dates:	25 March in each year
(xv)	Business Day Convention:	Not Applicable
(xvi)	Business Centre(s):	Not Applicable
(xvii)	Calculation Agent:	The Bank of New York Mellon
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 5(b):	Minimum period: 5 days Maximum period: 30 days
19.	Redemption for Capital Disqualification Event:	Applicable
	Notice periods for Condition 5(c):	Minimum period: 5 days Maximum period: 30 days
20.	Issuer Call:	Applicable
(i)	Optional Redemption Date(s):	25 March 2019
(ii)	Optional Redemption Amount(s):	€1,000 per Calculation Amount
(iii)	If redeemable in part:	Not Applicable (Redemption in whole only)
(iv)	Notice Periods:	Minimum period: 5 days Maximum period: 30 days
(v)	Selection Date:	Not Applicable
(vi)	Publication of list of serial numbers for Notes in definitive form:	Not Applicable
(vii)	Notification of period in relation to exchange of global Note:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	€1,000 per Calculation Amount
23.	Early Redemption Amount payable on redemption (a) for taxation reasons or (b)	€1,000 per Calculation Amount

following the occurrence of a Capital Disqualification Event (in the case of Tier 2 Notes) or (c) on an event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

(a) Form:

Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event

(b) NGN:

No

(c) CMU Notes:

No

25. Additional Financial Centre(s):

London

26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

No

27. Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:

TEFRA D

Signed on behalf of The Royal Bank of Scotland Group plc:

By:.....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from 25 March 2014.
- (ii) Estimate of total expenses related to admission to trading: £3,650

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- Standard & Poor's Credit Market Services Europe Limited: BB+
- Moody's Investors Service Ltd: Ba3
- Fitch Ratings Ltd.: BBB-

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. YIELD

- Indication of yield: 3.707 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price for the period from the Issue Date until the First Reset Date. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN: XS1049037200
- (ii) Common Code: 104903720
- (iii) Clearing System: Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable
- (v) Names and addresses of additional: Not Applicable

Paying Agent(s) (if any):

- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: No