

THE ROYAL BANK OF SCOTLAND GROUP plc

(the "Issuer")

NOTICE OF REDEMPTION

To the Noteholders of its
CAD600,000,000 Fixed/Floating Undated Callable Step-Up Tier 1 Notes issued under the
£45,000,000,000 Euro Medium Term Note Programme (the "Notes")
ISIN: CA780097AT83
Common Code: 032385311
CUSIP: 780097AT8

NOTICE IS HEREBY GIVEN, in accordance with the trust deed dated 18 June 2007 between the Issuer, The Law Debenture Trust Corporation p.l.c. (the "Trustee") and The Royal Bank of Scotland plc (the "Trust Deed") that pursuant to Conditions 6(d), 6(i) and 13 of the terms and conditions of the Notes, all of the outstanding Notes shall be redeemed by the Issuer on 5 October 2017 (the "Redemption Date") at par, together with interest accrued to (but excluding) the Redemption Date and including any Deferred Interest Payments.

NOTICE IS HEREBY FURTHER GIVEN that interest on the redeemed Notes shall cease to accrue after the Redemption Date, unless, upon due presentation thereof, payment of principal together with accrued interest thereon is improperly withheld or refused. In such event interest will continue to accrue as provided in the Trust Deed.

Terms used but not defined herein shall have the meaning given to them in the Trust Deed or the Conditions of the Notes.

Dated: 7 August 2017

THE ROYAL BANK OF SCOTLAND GROUP plc

By: _____

Name: ROBERT BEGBIE

Title: RBS TREASURER