

**THE ROYAL BANK OF SCOTLAND GROUP plc**

(the "Issuer")

**NOTICE OF REDEMPTION**

To the Noteholders of its  
\$1,600,000,000 Fixed Rate/Floating Rate Preferred Capital Securities  
(the "Capital Securities")

ISIN: US780097AS09 / XS0323865047

CUSIP: 780097AS0

Common Code: 32386504

NOTICE IS HEREBY GIVEN, in accordance with the trust deed dated 4 October 2007 between the Issuer and BNY Corporate Trustee Services Limited (the "Trustee") (the "Trust Deed") that pursuant to Conditions 5(b), 5(h) and 14 of the terms and conditions of the Capital Securities, all of the outstanding Capital Securities 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 Capital Securities 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 Capital Securities.

Dated: 7 August 2017

**THE ROYAL BANK OF SCOTLAND GROUP plc**

By: \_\_\_\_\_

Name: ROBERT BEGGIE

Title: RBS TREASURER