



Royal Bank of Scotland Group PLC - Disposal

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The Royal Bank of Scotland Group plc announces disposal of equity stake in Bank of China

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The Royal Bank of Scotland Group plc ("RBS") announces that it has disposed of its 4.26% equity stake in Bank of China for a net consideration of £1.6 bn. RBS sold 10.8 bln H shares at HK \$1.71 per share.

The decision to sell the stake forms part of the ongoing strategic review of the Group's businesses announced in October. After taking account of tax and the effects of currency hedging, the impact of this disposal on the Group's capital ratios is expected to be broadly neutral.

Furthermore, from January 2009 the Group will no longer record the equity minority interests relating to our original consortium investment in Bank of China in its accounts. The loss of these equity minority interests reduces the Group's capital ratios by approximately 15 to 20 basis points. As a result of the above actions, the Group will benefit from an overall reduction in RWAs of around £4bn.

RBS will continue to operate its network of branches across China in the areas of Global Banking & Markets, Global Transaction Services, Wealth Management, and Retail & Commercial Banking.

Notes to Editors

RBS announced its equity investment of £0.9bn in Bank of China on 18th August 2005, leading a consortium which acquired 10% of its issued share capital. The RBS stake was diluted to 4.26% following the flotation on the Hong Kong and Shanghai stock exchanges. RBS received dividends in respect of its 4.26% stake of £80m in 2008.

RBS in China

RBS operates a number of business units in China and employs circa 1,400 staff in its Global Banking & Markets, Global Transaction Services, Wealth, Retail & Commercial banking and Manufacturing businesses. The combined RBS and ABN AMRO businesses in China have around 20 outlets spanning in five cities, that is, Shanghai, Beijing, Shenzhen, Chengdu and Chongqing.

RBS in Asia

The Royal Bank of Scotland Group is a major international bank in Asia Pacific with a presence in 15 markets serving corporate and institutional clients. RBS provides a full range of investment and transaction banking capabilities as well as wealth management, retail and commercial banking. The international wealth management arm offers private banking and investment services to clients in selected markets through the RBS Coutts brand.

The RBS Group operates in the following Asia Pacific markets: Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

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Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. These forward-looking statements speak only as of the date of this announcement. The information contained in this release subject to change without notice and, subject to compliance with applicable law, RBS assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

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