

Final Terms dated 18 March 2016
The Royal Bank of Scotland Group plc
Issue of €1,500,000,000 2.50 per cent. Notes due 22 March 2023
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 7 March 2016 which constitutes 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. 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. The Prospectus is available for viewing at:

http://www.rns-pdf.londonstockexchange.com/rns/2890R_-2016-3-7.pdf

1	Issuer:	The Royal Bank of Scotland Group plc
2	(i) Series Number:	3491
	(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:	€1,500,000,000
	(ii) Tranche:	€1,500,000,000
5	Issue Price:	99.304 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:	22 March 2016
	(ii) Interest Commencement Date:	22 March 2016
8	Maturity Date:	22 March 2023
9	Interest Basis:	2.50 per cent. Fixed Rate
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:	Not Applicable
12	Put/Call Options:	Not Applicable
13	(i) Status of the Notes:	Ordinary Notes
	(ii) Set-off:	Condition 2(a)(ii): Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions:	Applicable
	(i) Rate(s) of Interest:	2.50 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	22 March in each year, commencing on 22 March 2017 up to and including the Maturity Date
	(iii) Fixed Coupon Amount:	€25.00 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Dates:	22 March in each year
	(vii) Business Day Convention:	Not Applicable
	(viii) Business Centre(s):	Not Applicable
15	Reset Note Provisions:	Not Applicable
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:	Not Applicable
20	Issuer Call:	Not Applicable
21	Redemption for Loss Absorption Disqualification Event:	Not Applicable
22	Investor Put:	Not Applicable
23	Final Redemption Amount:	€1,000 per Calculation Amount
24	Early Redemption Amount payable on redemption (a) for taxation reasons or (b) following the occurrence of a Capital Disqualification Event (in the case of Tier 2 Notes) or (c) following the occurrence of a Loss Absorption Disqualification Event (in the case of Ordinary Notes) or (d) on an event of default:	€1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	
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| (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: | Yes |
| (c) CMU Notes: | No |
| 26 Additional Financial Centre(s): | London |
| 27 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 28 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 22 March 2016
- (ii) Estimate of total expenses relating 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: BBB-
Moody's Investors Service Limited: Ba1
Fitch Ratings Limited: 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: 2.610 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5 OPERATIONAL INFORMATION

- (i) ISIN: XS1382368113
- (ii) Common Code: 138236811
- (iii) CMU Instrument Number: Not Applicable
- (iv) Clearing System: Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*
- (v) 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
- (vi) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: Yes