

SUPPLEMENTARY PROSPECTUS DATED 11 MAY 2018



The Royal Bank of Scotland Group plc

*(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,
registered number SC045551)*

NatWest Markets Plc (formerly known as The Royal Bank of Scotland plc)

*(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,
registered number SC090312)*

£90,000,000,000

Euro Medium Term Note Programme

This supplement (the "**5th Supplementary Prospectus**") to the Prospectus dated 7 December 2017, as supplemented by the 1st supplementary prospectus dated 3 January 2018, the 2nd supplementary prospectus dated 23 February 2018, the 3rd supplementary prospectus dated 23 March 2018 and the 4th supplementary prospectus dated 1 May 2018 (the "**Prospectus**"), which comprises a base prospectus for the purpose of Directive 2003/71/EC (as amended), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and has been prepared in connection with the £90,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by The Royal Bank of Scotland Group plc ("**RBSG**") and NatWest Markets Plc (formerly known as The Royal Bank of Scotland plc) (each, an "**Issuer**" and together, the "**Issuers**"). Terms defined in the Prospectus have the same meaning when used in this 5th Supplementary Prospectus.

This 5th Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus and the documents incorporated by reference therein.

Each Issuer accepts responsibility for the information contained in this 5th Supplementary Prospectus. To the best of the knowledge of each Issuer (each having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of the Supplementary Prospectus

The purpose of this 5th Supplementary Prospectus is to:

- (a) incorporate by reference into the Prospectus (i) the Fitch Announcement, (ii) the Alternative Remedies Package Announcement, (iii) the DOJ RMBS Settlement Announcement and (iv) the Capital Reduction Announcement (each as defined below); and
- (b) update certain information relating to legal proceedings, litigation and investigations.

Incorporation of Information by Reference

By virtue of this 5th Supplementary Prospectus:

- (a) the announcement entitled "RBS notes credit ratings action by Fitch Ratings" (the "**Fitch Announcement**"), which was published via the regulatory news service of the London Stock Exchange on 1 May 2018;

- (b) the announcement entitled "Alternative Remedies Package Framework and State Aid Deed signed" (the "**Alternative Remedies Package Announcement**"), which was published via the regulatory news service of the London Stock Exchange on 2 May 2018;
- (c) the announcement entitled "RBS agrees in principle settlement with the US Department of Justice regarding US RMBS investigation" (except for the last two sentences in the second paragraph) (the "**DOJ RMBS Settlement Announcement**"), which was published via the regulatory news service of the London Stock Exchange on 10 May 2018; and
- (d) the announcement entitled "Capital reduction – notice of petition" (the "**Capital Reduction Announcement**"), which was published via the regulatory news service of the London Stock Exchange on 10 May 2018,

each of which has been (1) previously published and (2) filed with the Financial Conduct Authority, shall be incorporated in, and form part of, the Prospectus.

A copy of any or all of the information which is incorporated by reference in the Prospectus can be obtained from the website of RBSG at <http://www.rbs.com> and from the London Stock Exchange plc's website at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html>.

If a document which is incorporated by reference in the Prospectus by virtue of this 5th Supplementary Prospectus itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Prospectus except where such information or other documents are specifically incorporated by reference in, or attached to, the Prospectus by virtue of this 5th Supplementary Prospectus.

Those parts of the documents incorporated by reference which are specifically excluded from the incorporation by reference in this 5th Supplementary Prospectus are either not relevant for prospective investors or the information is included elsewhere in the Prospectus.

Updating the legal proceedings disclosure set out in the Prospectus

The section entitled "Legal Proceedings" on page 67 of the Prospectus shall be deleted and replaced with the following:

"Legal Proceedings

For a description of the material governmental, legal or arbitration proceedings that RBSG, RBS and the Group face, see:

- (i) the section entitled "Litigation, investigations and reviews" in the "Notes" at pages 313 to 325 of the 2017 Annual Report and Accounts of RBSG;
- (ii) the section entitled "Material developments in litigation, investigations and reviews" in the "Notes" of the RBSG Q1 2018 IMS; and
- (iii) the DOJ RMBS Settlement Announcement,

each as referred to in, and incorporated by reference into, this Prospectus."

Legal Proceedings

Other than as referred to in (i) the section entitled "Litigation, investigations and reviews" in the "Notes" at pages 313 to 325 of the 2017 Annual Report and Accounts of RBSG, (ii) the section entitled "Material developments in litigation, investigations and reviews" in the "Notes" of the RBSG Q1 2018 IMS and (iii) the DOJ RMBS Settlement Announcement, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware), which may have or have had during the 12 months preceding the date of this 5th Supplementary Prospectus, a significant effect on the financial position or profitability of RBSG, RBS, the Group and/or, as the case may be, the RBS Group.

Other Information

To the extent that there is any inconsistency between any statement in this 5th Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in this 5th Supplementary Prospectus will prevail.

Save as disclosed in this 5th Supplementary Prospectus no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

The hyperlinks included in this 5th Supplementary Prospectus are included for information purposes only and the websites and their content are not incorporated into, and do not form part of, this 5th Supplementary Prospectus or the Prospectus.