

**NOTICE TO HOLDERS OF  
AMERICAN DEPOSITARY SHARES, SERIES 1 (THE "SERIES 1 ADSs")  
REPRESENTING NON-CUMULATIVE DOLLAR PREFERENCE SHARES, SERIES 1 (THE "SERIES 1 DOLLAR PREFERENCE SHARES")  
OF**

**The Royal Bank of Scotland Group plc**

Series 1 Dollar Preference Shares CUSIP 780097AE1

You are hereby notified that The Bank of New York Mellon, as depositary (the "**Depository**"), has received notice from The Royal Bank of Scotland Group plc ("**RBSG**") that on December 3, 2017 (the "**Redemption Date**"), in accordance with its articles of association and the terms and conditions attaching to the Series 1 Dollar Preference Shares, RBSG will redeem all the Series 1 Dollar Preference Shares then in issue at the redemption price of US\$1,000.00 per Series 1 Dollar Preference Share, together with accrued dividends payable on the Series 1 Dollar Preference Share from the date of the last accrued dividend on September 30, 2017 to, and including, the Redemption Date, which dividend shall equal US\$15.956500 per Series 1 Dollar Preference Share. The Series 1 Dollar Preference Shares will cease to accrue dividends and shall be cancelled and all unmatured dividend coupons and talons (if any) shall become void for any purpose, as from the Redemption Date. An application will be made to the U.K. Financial Conduct Authority, in its capacity as the U.K. Listing Authority, to cancel the listing of the Series 1 Dollar Preference Shares on the Official List of the U.K. Listing Authority. An application will also be made to the London Stock Exchange for the cancellation of the trading in the Series 1 Dollar Preference Shares on the London Stock Exchange's main market for listed securities.

Accordingly, you are hereby notified that the Series 1 ADSs shall be redeemed in full at a price per Series 1 ADS equal to the per share amount per Series 1 Dollar Preference Shares received by the Depository upon redemption of the Series 1 Dollar Preference Shares multiplied by 0.001, which is the fraction of a Series 1 Dollar Preference Share represented by each Series 1 ADS. The redemption price per Series 1 ADS will therefore equal \$1.00 plus accrued dividends for the current dividend period to, and including, the Redemption Date, which dividend shall equal \$ 0.0159565 per Series 1 ADS. If you hold American Depositary Receipts ("**ADRs**") evidencing Series 1 ADSs, you must complete, sign and return the enclosed Letter of Transmittal together with your ADRs to the Depository at the address shown on the Letter of Transmittal attached to this notice. When delivering the ADRs by mail, registered mail with return receipt properly insured or overnight delivery is recommended. If the Depository receives the Letter of Transmittal and the ADR(s) prior to the Redemption Date, the Depository will, on the Redemption Date, cancel the ADRs and mail a check for the redemption amount, less any applicable withholding taxes and without interest. If the Depository receives your Letter of Transmittal on or after the Redemption Date, it will mail your check as soon as practicable after it receives those items.

BNY Mellon is providing this information for general informational purposes only and does not warrant or guarantee the accuracy, timeliness or completeness of this information. BNY Mellon does not undertake any obligation to update or amend this information. BNY Mellon provides no advice, recommendation or endorsement with respect to any company or securities. Nothing herein shall be deemed to constitute an offer to sell or a solicitation of an offer to buy securities. BNY Mellon collects fees from Depositary Receipt ("DR") holders pursuant to the terms and conditions of the DRs. BNY Mellon may make payments to sponsored DR issuers to reimburse and /or share revenue from the fees collected from DR holders, or waive fees and expenses for services provided. BNY Mellon may pay a rebate to brokers in connection with unsponsored DR issuances. BNY Mellon may also use brokers, dealers or other service providers that are affiliates and that may earn or share fees and commissions. BNY Mellon may execute DR foreign currency transactions itself or through its affiliates and in such cases it acts as principal counterparty and not as agent, advisor, broker or fiduciary. BNY Mellon has no obligation to obtain the most favorable exchange rate, makes no representation that the rate is a favorable rate and will not be liable for any direct or indirect losses associated with the rate. BNY Mellon earns and retains revenue on its executed foreign currency transactions based on, among other things, the difference between the rate it assigns to the transaction and the rate that it pays and receives for purchases and sales of currencies when buying or selling foreign currency for its own account. The methodology used by BNY Mellon to determine DR conversion rates is available to registered Owners upon request or at [https://www.adrbnymellon.com/us/en/news-and-publications/dr-issuers/asset\\_upload\\_file49220\\_197380.pdf](https://www.adrbnymellon.com/us/en/news-and-publications/dr-issuers/asset_upload_file49220_197380.pdf). Depositary Receipts are not insured by the FDIC or any other government agency, are not deposits or other obligations of, and are not guaranteed by BNY Mellon, and are subject to investment risks.

You should consult your tax advisor regarding any income and other tax consequences of this redemption.

Should you require additional assistance or clarification, please contact The Bank of New York Mellon at telephone number 1-866-241-9317 (for holders residing within the United States) or + 001-201-680-6825 (for holders residing outside the United States).

The Bank of New York Mellon,  
as Depositary

Dated: August 4, 2017

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