

24 September 2014

RBS announces the pricing of the Initial Public Offering of Citizens Financial Group

The Royal Bank of Scotland Group plc ("RBSG") today announces the final pricing of the initial public offering ("IPO") of Citizens Financial Group, Inc. ("CFG" or "Citizens") ("the Offer").

The Offer comprises 140,000,000 shares, or 25%, of Citizens common stock at a price per share of \$21.50.

RBSG has also granted a 15% over-allotment option, under which the underwriters have a 30-day option to purchase an additional 21,000,000 shares at the initial public offering price, less the underwriting discount to cover over-allotments, if any. If the underwriters exercise this option in full, the total Offer, including the shares pursuant to the over-allotment option, would comprise 161,000,000 shares or 28.75% of Citizens common stock.

Gross proceeds realised by RBSG will be \$3,010m (\$3,461.5m assuming exercise in full of the over-allotment option) with the cash proceeds being used for general business purposes.

Following the Offer, RBSG will continue to hold up to 75% of CFG's shares of common stock (71.25% assuming exercise of all of the over-allotment option), which are subject to a 180-day lock-up. During this period the lock-up agreement is subject to modification, waiver or cancellation. RBSG will continue to consolidate Citizens in its financial statements.

Trading of Citizens common stock will commence on the New York Stock Exchange on the 24 September 2014, under the ticker symbol "CFG".

Commenting on today's announcement, RBS Chief Executive Officer, Ross McEwan said:

"The sale of Citizens is an integral part of the RBS capital plan. This IPO represents a key step on the path to full divestment. Selling Citizens will significantly improve our capital position and help us to create a strong and secure bank that can continue to fully support the needs of its customers."

Notes:

Citizens Financial Group Inc. is the 13th largest retail bank holding company in the United States, with \$130.3 billion in assets as of 30 June 2014. Headquartered in Providence, Rhode Island, the company offers a broad range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large corporations and institutions.

For the financial year ended 31 December 2013 Citizens Financial Group reported a US GAAP loss before income tax of \$3,468m, and a profit before income tax and goodwill impairment of \$967m.

Morgan Stanley and Goldman, Sachs & Co. are acting as joint global coordinators and J.P. Morgan is acting as joint book-running manager for this offering. Additionally, Barclays, Citigroup, Deutsche Bank Securities, RBS and Wells Fargo Securities are also acting as joint book-running managers. The prospectus relating to the offering may be obtained from: Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, Second Floor, New

York, New York 10014; Goldman Sachs & Co., Attention: Prospectus Department, 200 West Street, New York, New York 10282, via telephone: 1-866-471-2526 or via email: prospectus-ny@ny.email.gs.com; and J.P. Morgan Securities LLC, Attention: Prospectus Department, 1155 Long Island Avenue, Edgewood, NY 11717, via telephone: 866-803-9204.

The registration statement relating to these securities has been filed and has been declared effective by the Securities and Exchange Commission.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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