

THE ROYAL BANK OF SCOTLAND GROUP plc

(the "**Bank**")

**NOTICE OF REDEMPTION**

To the Holder of its  
US\$950,001,000 Fixed/Floating Rate Callable Subordinated Notes due 2044  
(the "**Subordinated Notes**")  
ISIN: XS0199720623  
Common Code: 019972062\*

NOTICE IS HEREBY GIVEN on the date hereof (the "**Redemption Notice Date**") pursuant to Condition 14 of the terms and conditions of the Subordinated Notes and Clause 5.11 of the trust deed dated 24 August 2004 between the Bank and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") (the "**Trust Deed**") that pursuant to Condition 5(b), all of the outstanding Subordinated Notes issued by the Bank shall be redeemed by the Bank on January 30, 2015 (the "**Redemption Date**") at a price equal to the principal amount of the Notes, together with accrued and unpaid interest thereon to the Redemption Date.

NOTICE IS HEREBY FURTHER GIVEN that interest on the redeemed Subordinated Notes shall cease to accrue after the Redemption Date, unless, upon due presentation thereof, payment of principal together with accrued and unpaid interest thereon is improperly withheld or refused. In such event interest will continue to accrue as provided in the Trust Deed.

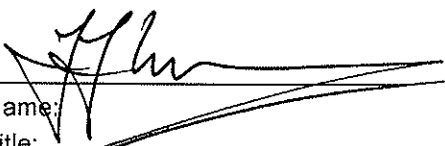
Terms used but not defined herein shall have the meaning given to them in the Trust Deed.

Dated: December 23, 2014

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\* Neither the Bank nor the Trustee makes any representation as to the accuracy of the ISIN and Common Code numbers, which are provided for convenient reference only.

THE ROYAL BANK OF SCOTLAND GROUP plc

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**RBS CAPITAL TRUST III**

(the "Trust")

**NOTICE OF REDEMPTION**

To the Holders of  
\$950,000,000 5.512% Non-Cumulative Trust Preferred Securities  
(the "**Trust Preferred Securities**")  
CUSIP No. 74927Q AA 5  
ISIN: US74927QAA58  
Common Code: 019959732

IRREVOCABLE NOTICE IS HEREBY GIVEN on the date hereof (the "**Redemption Notice Date**") pursuant to Section 8.03 of the Amended and Restated Declaration of Trust dated August 24, 2004 of the Trust (the "**Declaration of Trust**") that as a result of the occurrence of a Regulatory Event constituting a Special Redemption Event pursuant to Section 5.03(e)(iii) of the Amended and Restated Limited Partnership Agreement dated August 24, 2004 of RBS Capital LP III (the "**Partnership Agreement**") all of the Trust Preferred Securities issued by the Trust shall be redeemed by the Trust on January 30, 2015 (the "**Redemption Date**") at a price equal to the principal amount of the redeemed Trust Preferred Securities plus accrued interest to the date of redemption. The Redemption Record Date is January 28, 2015. The Trust Preferred Securities will be redeemed in accordance with the applicable procedures of DTC.

NOTICE IS HEREBY FURTHER GIVEN that Distributions on the redeemed Trust Preferred Securities shall cease to accrue after the Redemption Date, unless the Redemption Price in respect of the Trust Preferred Securities is improperly withheld or refused and not paid in full on that date, in which case distributions will continue to accrue pursuant to the terms of the Declaration of Trust.

Terms used but not defined herein shall have the meaning given to them in the Declaration of Trust and the Partnership Agreement.

Dated: December 23, 2014

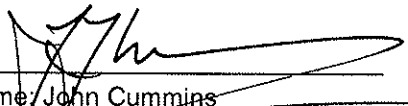
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Neither the Trust nor the Trustee makes any representation as to the accuracy of the CUSIP, ISIN and Common Code numbers, which are provided for convenient reference only.

**RBS CAPITAL TRUST III**

By **RBS CAPITAL LP III**  
as Administrator

By **RBSG Capital Corporation**  
as General Partner

By   
Name: John Cummins  
Title: Director