

27 September 2017

### **Allotment and Issue of New Ordinary Shares**

The Royal Bank of Scotland Group plc (the "Company") announces the allotment and issue of 56,634,740 new ordinary shares (the "New Ordinary Shares") of the Company at a subscription price of 256.0266 pence per New Ordinary Share. The shares have been sold in the market. The subscription price was determined by reference to the average market price during a period since the Company's half year results on 4 August 2017.

The shares being issued are for the purposes of partly neutralising the impact of 2017 coupon payments on discretionary hybrid capital from a Common Equity Tier 1 capital perspective, as explained in the Company's Full Year 2016 results announcements.

Based on this subscription price, the gross proceeds of the issue are £145 million. The New Ordinary Shares being issued represent an increase of approximately 0.48% per cent in the Company's current issued ordinary shares. The New Ordinary Shares will, when issued, be credited as fully paid and rank pari passu in all respects with the existing ordinary shares of the Company.

Applications will be made for admission of the New Ordinary Shares to the premium listing segment of the Official List of the UK Listing Authority and to trading (together "Admission") on (i) the main market of the London Stock Exchange and (ii) the New York Stock Exchange ("the NYSE"). American Depositary Shares ("ADS") will also be listed with the NYSE in addition to the New Ordinary Shares underlying the ADSs. It is expected that Admission will take place at 8.00 a.m. on 3 October 2017.

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