

The Royal Bank of Scotland Group plc

01 May 2018

RBS notes credit ratings action by Fitch Ratings

The Royal Bank of Scotland Group plc ("RBS") notes the decision by the credit rating agency Fitch Ratings to, among others:

- Upgrade the Long-Term Issuer Default Ratings of National Westminster Bank Plc and Ulster Bank Limited to A- (from BBB+/Watch Positive).
- Affirm the Long-Term Issuer Default Rating of NatWest Markets Plc (previously named The Royal Bank of Scotland plc) at BBB+.
- Assign final Long-Term Issuer Default Ratings to The Royal Bank of Scotland plc (previously named Adam & Company Plc) of A- and Short-Term Issuer Default Ratings of F2, in line with the expected ratings assigned in September 2017.
- The ratings of the Royal Bank of Scotland Group plc and the group's other rated subsidiaries were not affected by Fitch's rating action. The Outlooks on all group entities are Stable.

The upgrades of National Westminster Bank Plc and The Royal Bank of Scotland plc (which will become the two main ring-fenced banks within the group) reflect Fitch's view that external senior creditors are protected by a sufficient buffer of qualifying junior debt, consisting of additional tier 1 and tier 2 debt, in the case of the banks' failure. NatWest Markets ratings *"will likely be driven by institutional support from its parent, RBSG, and will likely be equalised with its parent's to reflect the subsidiary's core and integral role in the group."*

Fitch summary credit ratings:

Entity	Long term rating	Short term rating	Status post-Ringfencing
The Royal Bank of Scotland Group plc	BBB+	F2	Holding Company
National Westminster Bank Plc	A-	F2	Ring-fenced bank
Ulster Bank Limited	A-	F2	Ring-fenced bank
The Royal Bank of Scotland plc (previously Adam & Company Plc)	A-	F2	Ring-fenced bank
NatWest Markets Plc (previously The Royal Bank of Scotland plc)	BBB+	P-2	Non Ring-fenced bank

For further information please Contact:

Paul Pybus

Head of Debt Investor Relations

+44 (0) 20 7678 1153

RBS Media Relations:

+44 (0) 13 1523 4205

Forward-looking statements

This announcement contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including (but not limited to) those related to RBS and its subsidiaries' regulatory capital position and requirements, financial position, future pension funding and contribution requirements, ongoing litigation and regulatory investigations, profitability and financial performance (including financial performance targets), structural reform and the implementation of the UK ring-fencing regime, the implementation of RBS's restructuring and transformation programme, impairment losses and credit exposures under certain specified scenarios, increasing competition from new incumbents and disruptive technologies and RBS's exposure to political risks, operational risk, conduct risk, cyber and IT risk and credit rating risk. In addition, forward-looking statements may include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as RBS's future economic results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations and general economic conditions. These and other factors, risks and uncertainties that may impact any forward-looking statement or RBS's actual results are discussed in RBS's UK 2017 Annual Report and Accounts (ARA) and other materials filed with, or furnished to, the US Securities and Exchange Commission. The forward-looking statements contained in this announcement speak only as of the date of this announcement and RBS does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

The Royal Bank of Scotland Group plc
The Royal Bank of Scotland plc
National Westminster Bank Plc
NatWest Markets Plc
Ulster Bank Limited

Legal Entity Identifier
2138005O9XJIJN4JPN90
549300WHU4EIHRP28H10
213800IBT39XQ9C4CP71
RR3QWICWWIPCS8A4S074
213800BZ9V4RRA2IRN26