

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of The Royal Bank of Scotland Group plc (the “**Company**”) will be held on 28 April 2010 at The Edinburgh International Conference Centre, The Exchange, Morrison Street, Edinburgh EH3 8EE at 2.00 p.m. (or as soon thereafter as the Annual General Meeting convened for 1.00 p.m. on the same day and at the same place shall have been completed or adjourned) for the purposes of considering and, if thought fit, passing the following resolutions:

Special Resolution to be voted on by Ordinary Shareholders and Non-Tendering Cumulative Preference Shareholders

- 1 THAT the terms of the Conditional Repurchase Agreement and the Argon Conditional Repurchase Agreement (each as defined in the circular dated 8 April 2010 containing this Notice of General Meeting, and copies of which have been produced to this meeting) providing for the off-market purchase by the Company of certain of its shares, be and are hereby approved and authorised for the purposes of Section 694 of the Companies Act 2006 and otherwise and the Company be and is hereby authorised to make such off-market purchases (the authority conferred on the Company by this special resolution to expire on 27 October 2011).

Special Resolution to be voted on by Ordinary Shareholders, Cumulative Preference Shareholders and 7.387 per cent. Preference Shareholders

- 2 THAT, subject to the passing at a Separate General Meeting of 7.387 per cent. Preference Shareholders of a resolution in the terms set out in the Notice of Separate General Meeting of 7.387 Preference Shareholders convened for 28 April 2010, the amendments set out in paragraph 1 of Appendix 1 to this Notice of General Meeting be made to the Articles of Association of the Company (as amended from time to time).

Special Resolution to be voted on by Ordinary Shareholders, Cumulative Preference Shareholders and 7.0916 per cent. Preference Shareholders

- 3 THAT, subject to the passing at a Separate General Meeting of 7.0916 per cent. Preference Shareholders of a resolution in the terms set out in the Notice of Separate General Meeting of 7.0916 Preference Shareholders convened for 28 April 2010, the amendments set out in paragraph 2 of Appendix 1 to this Notice of General Meeting be made to the Articles of Association of the Company (as amended from time to time).

By order of the Board of Directors of the Company.

Miller McLean
Group Secretary

Date: 8 April 2010

Notes:

- (1) The Company gives notice that, save in respect of those 7.0916 per cent. Preference Shares in bearer form, only those shareholders entered on the register of members of the Company at the close of business on 26 April 2010, or, if the General Meeting is adjourned, on the register of members of the Company 48 hours before the time of the adjourned meeting, will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after the close of business on 26 April 2010 will be disregarded in determining the rights of any person to attend or vote at the meeting and the number of votes any person may cast at the meeting. Pursuant to the Articles, the Company gives notice that only those holders of 7.0916 per cent. Preference Shares (i) who, in accordance with Article 52(C), have deposited their 7.0916 per cent. Preference Shares at the registered office of the Company or a bank named or approved by the Company for that purpose on or before 23 April 2010, (ii) who, in accordance with Article 52(D), at the time of the General Meeting are in possession of a certificate issued by the Company entitling such holder of 7.0916 per cent. Preference Shares (or his duly appointed proxy) to attend and vote at the General Meeting, and (iii) whose 7.0916 per cent. Preference Shares remain so deposited until after the General Meeting (and any adjournment thereof), shall be entitled (in person or by proxy) to attend and vote at the General Meeting. Pursuant to Section 695(3) of the Companies Act 2006, the Tendering Cumulative Preference Shareholders shall not be entitled to vote in respect of Resolution 1.

- (2) Every member entitled to attend, speak and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of the member. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member. A form appointing a proxy is enclosed with this notice and may be returned in the enclosed pre-paid envelope. To appoint a proxy, the form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be completed and must either (a) be received at the Company's transfer office at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, (b) be lodged using the CREST Proxy Voting Service in accordance with Note 5 below, or (c) be registered electronically on the website at www.rbs.com/generalmeeting/e-proxy, in each case so as to be received no later than 2.00 p.m. on 26 April 2010. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.
- (3) Any person to whom this General Meeting Notice has been sent, whose shares are held on their behalf by another person and who has been nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- (4) The statement of the rights of shareholders in relation to the appointment of proxies in Note 2 above and 5 below do not apply to Nominated Persons. The rights described in these Notes can only be exercised by shareholders.
- (5) CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so through the issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Please refer to the CREST manual at www.euroclear.com/CREST.
- (6) As at 7 April 2010 (being the latest practicable date prior to the printing of this document), the issued share capital of the Company conferring the right to vote at the General Meeting on Resolution 1 consisted of 57,967,779,806 Ordinary Shares of 25p each carrying one vote each on a poll. Therefore, assuming that all the Cumulative Preference Shareholders are Tendering Cumulative Preference Shares and are unable to vote their Cumulative Preference Shares in relation to Resolution 1, the total number of voting rights in the Company that may be exercised in relation to Resolution 1 as at 7 April 2010 was 57,967,779,806. As at 7 April 2010 (being the latest practicable date prior to the printing of this document), there were 400,000 5.5 per cent. cumulative preference shares carrying four votes each on a poll, 500,000 11 per cent. cumulative preference shares of £1 each carrying four votes each on a poll, 200,000 7.387 per cent. Preference Shares of £0.01 each carrying four votes each on a poll and 26,000 7.0916 per cent. Preference Shares of €0.01 each carrying one vote each on a poll; therefore, the total number of voting rights in the Company as at 7 April 2010 in respect of Resolution 2 was 57,972,179,806 and in respect of Resolution 3 was 57,971,405,806.
- (7) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (8) Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or good order of the General Meeting that the question be answered.
- (9) A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at www.rbs.com.

APPENDIX 1

PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION

1. The words “(other than any shares in the class of £200,000,000 7.387 per cent. Non-cumulative Convertible Sterling Preference Shares, Series 1)” be inserted in Article 2.7 of Part 1 of Schedule 2 of the Company’s Articles of Association immediately after the words “provided that, in the case of Non-cumulative Convertible Sterling Preference Shares which are listed on the London Stock Exchange”.
2. The words “(other than any shares in the class of €1,300,000,000 7.0916 per cent. Non-cumulative Euro Preference Shares, Series 3)” be inserted in Article 2.7 of Schedule 1 of the Company’s Articles of Association immediately after the words “provided that, in the case of Non-cumulative Euro Preference Shares which are listed on the London Stock Exchange”.

APPENDIX 2

PREFERENCE SHARES

PART A

Non-US Preference Shares

		Liquidation Preference	Number in issue	Purchase Price (percentage of Liquidation Preference)
XS0323734961	RBSG €1,300,000,000 7.0916 per cent. Non-cumulative Preference Shares Series 3	€50,000	26,000	65
GB00B2825B77	RBSG £750,000 8.1620 per cent. Non-cumulative Sterling Preference Shares Series 1 (being the Argon Preference Shares)	£1,000	750,000	68
DE000A0E6C37	RBSG €1,250,000,000 5.25 per cent. Non-cumulative Preferred Securities Series 2	€1,000	1,250,000	57
XS0205935470	RBSG €1,250,000,000 5.50 per cent. Non-cumulative Preferred Securities Series 1	€1,000	1,250,000	57
GB0007548026	RBSG £400,000 5.5 per cent. Cumulative Preference Shares	£1.00	400,000	70
GB0007548133	RBSG £500,000 11.00 per cent. Cumulative Preference Shares	£1.00	500,000	100
XS0121856859	RBSG £200,000,000 7.3870 per cent. Non-cumulative Convertible Preference Shares Series 1	£1,000	200,000	100

PART B

US Preference Shares

		Liquidation Preference	Number in issue	Purchase Price per US Preference Share
US7800977479	ADSs, Series R, representing Non-cumulative Dollar Preference Shares, Series R, issued by RBSG	\$25	26,000,000	\$14.00
US7800977628	ADSs, Series P, representing Non-cumulative Dollar Preference Shares, Series P, issued by RBSG	\$25	22,000,000	\$14.00
US7800977966	ADSs, Series M, representing Non-cumulative Dollar Preference Shares, Series M, issued by RBSG	\$25	37,000,000	\$14.00
US7800977701	ADSs, Series N, representing Non-cumulative Dollar Preference Shares, Series N, issued by RBSG	\$25	40,000,000	\$14.00
US7800977396	ADSs, Series S, representing Non-cumulative Dollar Preference Shares, Series S, issued by RBSG	\$25	38,000,000	\$14.00
US7800977545	ADSs, Series Q, representing Non-cumulative Dollar Preference Shares, Series Q, issued by RBSG	\$25	27,000,000	\$14.00
US7800977131	ADSs, Series T, representing Non-cumulative Dollar Preference Shares, Series T, issued by RBSG	\$25	64,000,000	\$14.75
US780097AU54	ADSs, Series U, representing Non-cumulative Dollar Preference Shares, Series U, issued by RBSG	\$100,000	15,000	66.00%*
US7800977883	ADSs, Series, representing Series L Category II Non-cumulative Dollar Preference Shares, issued by RBSG	\$25	34,000,000	\$16.25
US7800978790	ADSs, Series H, representing Non-cumulative Dollar Preference Shares, Series H, issued by RBSG	\$25	12,000,000	\$19.25
US7800978048	ADSs, Series F, representing Non-cumulative Dollar Preference Shares, Series F, issued by RBSG	\$25	8,000,000	\$20.00

General Notes:

* Purchase Price expressed as a percentage of the Liquidation Preference.