

ROYAL BANK OF SCOTLAND GROUP PLC
Form FWP
March 19, 2019

Free Writing Prospectus dated March 19, 2019

(to Prospectus dated December 13, 2017 and

Preliminary Prospectus Supplement dated March 19, 2019)

Filed pursuant to Rule 433

Registration Statement No. 333- 222022

The Royal Bank of Scotland Group plc

TERMS AND CONDITIONS

\$2,000,000,000 4.269% Fixed Rate/Floating Rate Senior Notes due 2025

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|------------------------------------|---|
| Issuer | The Royal Bank of Scotland Group plc (“RBSG”) \$2,000,000,000 aggregate principal amount of 4.269% Fixed Rate/Floating |
| Securities | Rate Senior Notes due 2025 (the “Senior Notes”). |
| Ranking | The Senior Notes will constitute RBSG’s direct, unconditional, unsecured and unsubordinated obligations ranking <i>pari passu</i> without any preference among themselves, and equally with all other outstanding unsecured and unsubordinated obligations of RBSG, present and future, except such obligations as are preferred by operation of law. |
| Format | SEC-registered |
| Specified Currency | USD |
| Issue Size | \$2,000,000,000 |
| Trade Date | March 19, 2019 |
| Settlement Date | March 22, 2019 (T+3) |
| Maturity | March 22, 2025 |
| Fixed Rate Coupon | 4.269% per annum accruing from and including the Settlement Date to, but excluding, March 22, 2024 (the “Optional Redemption Date”) (the “Fixed Rate Period”). |
| Fixed Rate Coupon Frequency | Semi-annually in arrear commencing from September 22, 2019 to and including the Optional Redemption Date. |
| Floating Rate Coupon | Three-month U.S. dollar LIBOR plus 1.762% per annum, accruing from the Optional Redemption Date to, but excluding the Maturity Date (the “Floating Rate Period”). |

The determination of LIBOR is subject to the provisions/circumstances set forth under “*Description of the Senior Notes—Interest—LIBOR Discontinuation*” in the prospectus supplement.

Floating Rate

Coupon Frequency

Quarterly in arrear commencing from June 22, 2024 to and including the Maturity Date.

During the Fixed Rate Period, interest will be payable semi-annually in arrear on March 22 and September 22 of each year, commencing on September 22, 2019.

Interest Payment

Dates

During the Floating Rate Period, interest will be payable quarterly in arrear on June 22, 2024, September 22, 2024, December 22, 2024 and the Maturity Date.

Interest Reset

Dates

The Optional Redemption Date, June 22, 2024, September 22, 2024, December 22, 2024, beginning on the Optional Redemption Date.

Interest

Determination

Dates

The second London banking day (as defined in the prospectus supplement) preceding each applicable Interest Reset Date.

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| Day Count Convention | During the Fixed Rate Period 30/360 (Following, unadjusted) |
| Business Days | During the Floating Rate Period, Actual/360 (Modified following) New York and London |
| US Treasury Benchmark | T 2.375% due February 29, 2024 |
| US Treasury Benchmark Yield | 2.419% |
| Fixed Rate Spread to Benchmark Treasury | T+ 185 bps |
| Floating Rate Pricing Benchmark | Three-month U.S. dollar LIBOR, (Reuters LIBOR01), modified following, adjusted. The determination of LIBOR is subject to the provisions/circumstances set forth under “ <i>Description of the Senior Notes—Interest—LIBOR Discontinuation</i> ” in the prospectus supplement. |
| Floating Rate Spread to Benchmark | + 176.2 bps |
| Re-Offer Yield | 4.269% |
| Issue Price | 100.000% |
| Gross Proceeds | \$2,000,000,000 |
| All in Price | 99.75% |
| Fees | 0.25% |
| Net Proceeds (before expenses) | \$1,995,000,000 |
| Redemption Price | 100.000% of the principal amount of the Senior Notes The Senior Notes are not redeemable at the option of the holders at any time. |
| Redemption | RBSG may redeem the Senior Notes at its sole discretion, in whole but not in part on the Optional Redemption Date at 100% of their principal amount together with any accrued but unpaid interest to, but excluding, the date of redemption. In addition, RBSG may redeem the Senior Notes, in whole but not in part, at 100% of their principal amount together with any accrued but unpaid interest to, but excluding, the date of redemption, upon the occurrence of certain tax or regulatory events as described in the prospectus supplement and the accompanying prospectus. See “ <i>Description of Debt Securities—Redemption</i> ,” “ <i>Description of the Senior Notes Loss—Absorption Disqualification Event Redemption</i> ” and “ <i>Description of the Senior Notes—Tax Redemption</i> ” in the prospectus supplement. |

**Redemption
Conditions**

Notwithstanding any other provision, RBSG may only redeem the Senior Notes prior to the maturity date or repurchase the Senior Notes (and give notice thereof to the holders of such Senior Notes in the case of redemption), if it has obtained the prior consent of the PRA (as defined in the prospectus supplement), to the extent such consent is at the relevant time and in the relevant circumstances required by the Loss Absorption Regulations (as defined in the prospectus supplement) or applicable laws or regulations in effect in the United Kingdom, if at all, as described in the prospectus supplement under “*Description of the Senior Notes—Conditions to Redemption and Repurchase.*”

**Events of
Default**

The Senior Notes contain very limited events of default provisions and the remedies available thereunder are limited, as described in the prospectus supplement under “*Description of the Senior Notes—Events of Default and Defaults; Limitation of Remedies.*”

Notwithstanding any other agreements, arrangements, or understandings between RBSG and any holder or beneficial owner of the Senior Notes, by its acquisition of Senior Notes, each holder and beneficial owner of the Senior Notes acknowledges, accepts, agrees to be bound by and consents to the exercise of any UK bail-in power by the relevant UK authority which may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Senior Notes; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Senior Notes into ordinary shares or other securities or other obligations of RBSG or another person and/or (iii) the amendment or alteration of the maturity of the Senior Notes, or amendment of the amount of interest due on the Senior Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which UK bail-in power may be exercised by means of variation of the terms of the Senior Notes solely to give effect to the exercise by the relevant UK authority of such UK bail-in power. Each holder and beneficial owner of the Senior Notes further acknowledges and agrees that the rights of the holders and/or beneficial owners under the Senior Notes are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any UK bail-in power by the relevant UK authority.

Agreement with Respect to the Exercise of U.K. Bail-in Power

For these purposes, a “UK bail-in power” is any write-down, conversion, transfer, modification or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to RBSG or other members of the Group (as defined in the prospectus supplement), including but not limited to any such laws, regulations, rules or requirements which are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (whether or not the UK is a Member State of the European Union) and/or within the context of a UK resolution regime under the Banking Act 2009, as the same has been or may be amended from time to time (whether pursuant to the Financial Services (Banking Reform) Act 2013 (the “Banking Reform Act 2013”), secondary legislation or otherwise, the “Banking Act”), pursuant to which any obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, modified, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligations may be deemed to have been exercised. A reference to the “relevant UK authority” is to any authority with the ability to exercise a UK bail-in power.

Repayment of Principal and Payment of Interest After Exercise of U.K. Bail-in Power

No repayment of the principal amount of the Senior Notes or payment of interest on the Senior Notes shall become due and payable after the exercise of any U.K. bail-in power by the relevant U.K. authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by RBSG under the laws and regulations of the United Kingdom and the European Union applicable to RBSG or other members of the Group.

Joint Bookrunners and Joint Lead

Credit Suisse Securities (USA) LLC

Managers

Goldman Sachs & Co. LLC

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Morgan Stanley & Co. LLC

NatWest Markets Securities Inc.

Denominations

\$200,000 and integral multiples of \$1,000 in excess thereof

Listing

An application will be made to list the Senior Notes on the New York Stock Exchange.

**MIFID II Product Governance /
Professional investors and ECPs only
target market / Prohibition of Sales to
each Retail Investor**

Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.

Expected Security Ratings*

Baa2 / BBB- / A (Moody's / S&P / Fitch) (pos / pos / rating watch neg)

Clearing and Settlement

DTC

CUSIP

780097 BK6

ISIN

US780097BK63

Governing Law

New York

*The security ratings above are not a recommendation to buy, sell or hold the securities offered hereby. The ratings may be subject to revision or withdrawal at any time by S&P, Fitch or Moody's.

The Issuer has filed a registration statement (including a base prospectus) with the SEC for the offering to which this free writing prospectus relates. Before you invest in this offering, you should read the base prospectus and the prospectus supplement in respect of the Senior Notes in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, NatWest Markets Securities Inc. will arrange to send you the base prospectus at no charge if you request it by calling 1-866-884-2071, calling Credit Suisse Securities (USA) LLC toll-free at 1-800-221-1037, calling Goldman Sachs & Co. LLC toll-free at 1-866-471-2526, calling Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-294-1322, or calling Morgan Stanley & Co. LLC toll-free at 1-866-718-1649.