

## **LETTER TO SHAREHOLDERS**

### **Notice of General Meeting**

#### **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser (who, in the United Kingdom, should be authorised under the Financial Services and Markets Act 2000).

If you have sold or transferred all your shares in The Royal Bank of Scotland Group plc, please pass this document and the accompanying proxy form to the stockbroker, bank or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

This document is being sent for information purposes only to certain categories of share option holders.

The attention of shareholders is drawn to the Notice convening a General Meeting of the Company which appears in Section 2 of this document. The General Meeting will be held on 14 May 2008 at 12.00 noon in the RBS Conference Centre, RBS Gogarburn, Edinburgh, EH12 1HQ. A prospectus containing details of the proposed rights issue (including details of the nil paid rights, the fully paid rights and the new ordinary shares to be offered pursuant to the proposed rights issue) will be made available to shareholders during the first week in May 2008 at the latest.

## CONTENTS

	<u>Page</u>
Chairman's letter to shareholders .....	3
Section 1 Press release relating to the proposed rights issue, dated 22 April 2008 . . .	5
Section 2 Notice of General Meeting .....	21

### **Note**

This document does not constitute or contain an offer to sell, or a solicitation of an offer to subscribe for, the nil paid rights, the fully paid rights or the new ordinary shares to be issued in connection with the proposed rights issue. This document is not a prospectus and shareholders should not subscribe for or otherwise acquire any nil paid rights, fully paid rights or new ordinary shares except on the basis of the information contained in the prospectus to be published and made available to shareholders during the first week in May 2008 at the latest.

The securities mentioned above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. There will be no public offer of such securities in the United States.

PO Box 1000  
Gogarburn  
Edinburgh EH12 1HQ  
Telephone: 0131 556 8555  
25 April 2008

Dear Shareholder

### **General Meeting**

On 22 April 2008, as part of our Interim Management Statement we announced a proposed rights issue and gave details of our current trading performance and capital position. The full text of this announcement is set out in Section 1.

In connection with the proposed rights issue, I would like to invite you to a General Meeting of the Company to be held on 14 May 2008 at 12.00 noon in the RBS Conference Centre, RBS Gogarburn, Edinburgh, EH12 1HQ. The Notice of General Meeting can be found in Section 2 of this document.

The General Meeting is being held for the purpose of considering and, if thought fit, passing two resolutions. The first resolution is to increase the Company's authorised ordinary share capital and to grant the Directors authority to allot ordinary shares in connection with the proposed rights issue.

As indicated in the announcement of 22 April 2008, the Board believes that it would be prudent to issue new ordinary shares instead of paying the 2008 interim dividend. The second resolution is to authorise the capitalisation of reserves to allow the issue of such new ordinary shares.

This document does not contain all of the information required for a circular to shareholders under Chapter 13 of the UK Listing Rules, the balance of which will be included in a prospectus to be sent to eligible shareholders, which should be read in full in conjunction with this document. The prospectus, which will contain full details of the proposed rights issue and an explanation of how to participate in the proposed rights issue, will be made available to eligible shareholders during the first week in May 2008 at the latest.

### **Information relating to the resolutions to be proposed at the General Meeting**

#### **Resolution 1:**

**Creation of new ordinary shares (paragraph (a) of the first resolution)** If the first resolution is approved this will increase the Company's authorised, but unissued, share capital by the creation of a further 6,123,010,462 ordinary shares of 25 pence each (which represents an increase of approximately 42 per cent. in the authorised ordinary share capital of the Company following the Annual General Meeting on 23 April 2008). This will create additional ordinary share capital to be issued as part of the proposed rights issue and allow the Company to retain sufficient authorised, but unissued, ordinary share capital for general purposes following the rights issue, in line with the amount of authorised, but unissued, share capital available following the Annual General Meeting on 23 April 2008.

**Authority to allot ordinary shares (paragraph (b) of the first resolution)** If the first resolution is approved this will grant the Directors authority to allot the new ordinary shares created pursuant to paragraph (a) of the first resolution for the purposes of the proposed rights issue and allow the Directors to retain sufficient Section 80 authority for general purposes, in line with the authority to allot granted by shareholders at the Annual General Meeting on 23 April 2008. The maximum aggregate amount set out

in paragraph (b) of the first resolution represents 94 per cent. of the total issued ordinary share capital of the Company as at 23 April 2008 (being the latest practicable date prior to the date of this document). Assuming the proposed rights issue takes place, the maximum aggregate amount of relevant securities over which the Directors will have authority to allot will then represent 20.7 per cent. of the total issued ordinary share capital of the Company following the rights issue. As at the date of this document, the Company holds no treasury shares.

If the first resolution is passed, pursuant to Article 13(B) of the Company's Articles of Association, the pre-emption provisions contained in section 89 of the Companies Act 1985 will be automatically disapplied with regard to the proposed rights issue.

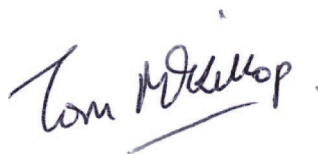
#### **Resolution 2:**

**Authority to issue new ordinary shares instead of the 2008 interim dividend** If the second resolution is approved, this will: (i) increase the Company's authorised, but unissued, share capital by the creation of a further 1,000,000,000 ordinary shares of 25 pence each (which represents an increase of approximately 6.9 per cent. in the authorised ordinary share capital of the Company following the Company's Annual General Meeting on 23 April 2008), (ii) grant the Directors authority to capitalise such amount of the Company's distributable reserves, share premium account or capital redemption reserve as the Directors may determine up to £250,000,000 and to apply this sum in paying up new ordinary shares of 25 pence each, and (iii) grant the Directors authority to allot such new ordinary shares pursuant to section 80 of the Companies Act 1985 to ordinary shareholders on a pro rata basis. The maximum aggregate amount set out in paragraph (c) of the second resolution represents 10 per cent. of the total issued ordinary share capital of the Company as at 23 April 2008 (being the latest practicable date prior to the date of this document).

#### **Recommendation**

The Board considers that the resolutions are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends all shareholders to vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours sincerely

A handwritten signature in black ink that reads "Tom McKillop". The signature is written in a cursive style with a horizontal line underneath the name.

Chairman

## SECTION 1

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### **THE ROYAL BANK OF SCOTLAND GROUP PLC**

#### **£12 Billion Rights Issue**

##### **Update on Credit Market Exposures, Disposals, Capital, Trading Conditions and Outlook**

22 April 2008

- RBS announces increased target capital ratios of 7.5% to 8.5% for Tier 1 capital and in excess of 6% for core Tier 1 capital on a proportional consolidated (“look through”) basis
- RBS takes actions to increase its Tier 1 capital ratio to in excess of 8% and its core Tier 1 capital ratio to in excess of 6% on a proportional consolidated basis by the end of 2008
- Rights issue to raise £12 billion net, fully underwritten
- 11 new shares for every 18 existing shares at 200 pence per share
- Disposals to generate estimated £4 billion of core Tier 1 capital net of tax
- Estimated capital effect of £4.3 billion net of tax (£5.9 billion before tax) from write-downs in respect of credit market exposures in 2008
- Overall underlying performance of the Group has remained satisfactory with the principal exception of a slowdown in capital markets activity in Global Banking & Markets
- ABN AMRO integration synergies on plan
- Following the rights issue, RBS believes that it will be in a strong position to realise the substantial value in its UK and international franchises and to take advantage of the growth opportunities available to it

#### **£12 Billion Rights Issue**

##### **Update on Credit Market Exposures, Disposals, Capital, Trading Conditions and Outlook**

###### **Summary**

RBS today announces a rights issue to increase its capital base, implementing revised targets for its capital ratios.

The revised targets\* are for the Group to maintain a Tier 1 capital ratio of between 7.5% and 8.5% and a core Tier 1 capital ratio in excess of 6%. These ratios are expressed on a proportional consolidated basis.

The rights issue of £12.0 billion and other actions are forecast to result in a Tier 1 capital ratio in excess of 8% and a core Tier 1 capital ratio in excess of 6% at 31 December 2008, on a proportional consolidated basis.

In preparing the underlying capital forecasts, it has been assumed that there will be write-downs additional to those reported in 2007 in relation to credit market exposures and gains from disposals of some non-core assets. The assumed effect on core Tier 1 capital of the estimated write-downs is £4.3 billion net of tax (£5.9 billion before tax) and of the estimated disposal gains is £4 billion net of tax.

Overall, the Group’s underlying performance, excluding write-downs, has remained satisfactory with the principal exception of a slowdown in capital markets activity in Global Banking & Markets.

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\* Previous guidance referred to 7% to 8% for Tier 1 capital ratio, with 25% to 30% preference share content, but with no target set for core Tier 1 capital ratio

Sir Tom McKillop, Chairman, said:

“This is a difficult time for the financial services industry, and it has presented us with specific challenges. Central to these has been the question of our capital ratios, which have been the focus of much attention, both internal and external, over recent months.

It was the Board’s declared intention to rebuild our Tier 1 capital to the middle to upper end of our historic range of 7% to 8% over a three year period, but in light of the current market environment, this level and timing are considered no longer appropriate.

In discussions with shareholders it was clear that many of them had reached a similar conclusion, hence today’s announcement that we are launching a rights issue to re-position our capital ratios and strengthen our capital base.

Naturally, shareholders wish to understand what we have assumed in relation to the prospects for further write-downs and disposals of non-core assets, and today’s announcement seeks to clarify the basis of our capital planning.”

### **Background to and Reasons for the Rights Issue**

RBS’s capital plan had assumed that it would maintain its Tier 1 capital ratio in the range 7% to 8% and that it would rebuild its core Tier 1 capital ratio towards 5% by 2010. At the time of its 2007 results announcement RBS confirmed that it was operating within the parameters of this plan.

The balance of risks and opportunities inherent in this plan have been under continual review. However, in the light of developments during March including the severe and increasing deterioration in credit market conditions, the worsening economic outlook and the increased likelihood that credit markets could remain difficult for some time, the Board has concluded that it is now appropriate for RBS to accelerate its plans to increase its capital ratios and to move to a higher target range to reflect the generally weakened business environment.

Reflecting these factors, the Board has raised its target range for the Group’s Tier 1 capital ratio to 7.5% to 8.5% and has set a target for the core Tier 1 capital ratio of in excess of 6% at 31 December 2008 on a proportional consolidated basis.\*

Having identified these targets it was clear that, whilst acknowledging with regret the demands this would place on shareholders, the most appropriate way of reaching them more quickly was through a rights issue. In considering the size of the rights issue the Board, as well as having regard to the potential business performance, made an assessment, based on current knowledge, of the likely quantum of write-downs in 2008 in respect of the deterioration in credit markets and the potential for gains from full or partial disposals.

The Board has estimated that the effect on capital of write-downs in respect of credit market exposures could be £4.3 billion net of tax (£5.9 billion before tax) in 2008. These estimates are based on prudent assumptions reflecting the further sharp deterioration in market conditions and outlook in credit markets at this point. Further details of the estimates of write-downs in respect of credit market exposures for capital planning purposes are set out below.

As part of an ongoing exercise, recalibrated in the context of its decision to increase capital levels, the Board has identified for possible whole or partial disposal RBS Insurance and other smaller assets which are not central to the powerful UK and international banking franchises that RBS has built. RBS is determined to achieve full and fair value in respect of any such disposals. At this stage RBS has assumed in its capital plan that a £4 billion increase in core Tier 1 capital by the end of 2008 can be achieved in this way, although there is scope for fewer disposals to be made, whilst still exceeding the target core Tier 1 ratio of 6%.

In addition, RBS envisages continuing reduction of the capital demands of certain business lines, including Global Banking & Markets, through active management of its balance sheet.

Taking the above into account and having regard to the outlook for retained profits and the de-risking of the balance sheet, the Board has determined that it is appropriate to raise £12 billion through the rights

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\* Previous guidance referred to 7% to 8% for Tier 1 capital ratio, with 25% to 30% preference share content, but with no target set for core Tier 1 capital ratio

issue, with the effect of achieving a Tier 1 capital ratio in excess of 8% and a core Tier 1 capital ratio in excess of 6% by year end on a proportional consolidated basis.

## Rights Issue

The proposed rights issue will raise proceeds of £12.0 billion, net of expenses. The issue is being made on the basis of 11 new shares for every 18 existing shares at an issue price of 200 pence per RBS share. This represents a 34.9% discount to the theoretical ex-rights price and 46.3% discount to the closing price of RBS shares of 372.5 pence per share on 21 April 2008, the last trading day before this announcement.

A prospectus in connection with the rights issue will be published by early May 2008. RBS will seek approval from its shareholders in respect of the rights issue at an Extraordinary General Meeting in mid-May 2008.

The nil paid trading period is expected to commence in mid-May 2008 and dealings in new fully paid shares are expected to commence in June 2008.

Goldman Sachs International, Merrill Lynch International and RBS are acting as joint bookrunners to the rights issue. UBS Limited is acting as co-bookrunner to the rights issue. The rights issue is fully underwritten by Goldman Sachs International, Merrill Lynch International and UBS Limited.

## Credit Market Exposures

For capital planning purposes RBS has used the values detailed below as the basis for its estimates of write-downs in 2008 in respect of the credit market exposures set out in the table below. These estimates are based on prudent assumptions reflecting the further sharp deterioration in market conditions and outlook in credit markets at this point. The capital effect of these estimated write-downs is £4.3 billion net of tax (£5.9 billion before tax).

Fair value gains on own liabilities are estimated to be £0.6 billion and are not included in the estimated capital effect.

The estimated write-downs before tax, which have been used for RBS's capital planning purposes, are as follows.

<i>£ million</i>	<i>Net Exposure 31 December 2007 (1)</i>	<i>Average Price %</i>	<i>Current Estimated Net Exposure (2)</i>	<i>Average Price %</i>	<i>Estimated Write-downs Before Tax (3)</i>
<b>ABS CDOs</b>					
High Grade CDOs . . . . .	2,581	84	1,608	52	(990)
Mezzanine CDOs . . . . .	1,253	70	361	20	(902)
Monoline Exposures (4) . . . . .	2,547	n/a	3,174	n/a	(1,752)
<b>US Residential Mortgages</b>					
Sub-prime (5) . . . . .	1,292	72	600	38	(405)
Alt-A . . . . .	2,233	83	1,007	50	(666)
Other Non-Agency . . . . .	794	94	660	82	(100)
US Commercial Mortgages . . . . .	1,809	97	1,397	83	(201)
<b>Leveraged Loans</b>					
Funded and Unfunded (6) . . . . .	14,506	96	12,354	88	(1,250)
CLOs . . . . .	1,386	93	1,214	87	(106)
CDS Hedging . . . . .					470
<b>Total Net of CDS Hedging . . . . .</b>					<b>(5,902)</b>

(1) Net of hedges and write-downs

(2) Current exposure net of hedges and estimated write-downs

(3) Estimated write-downs before tax in 2008

(4) Monoline exposures relate to credit protection purchased on credit assets, including CDOs. As the value of the instruments underlying the hedges has fallen, the mark-to-market value of the hedges, and hence of the Group's exposure, has increased. A credit valuation adjustment of £1,752 million has been estimated reflecting the monolines' weakening credit profile. Further information relating to exposures to monolines is set out in Appendix II

(5) Includes investment grade, non-investment grade and residuals

(6) Funded exposures at 31 December 2007 were £8,698 million

## **Dividend**

The Board of RBS believes that the 2007 dividend payout ratio of around 45% remains sustainable over the medium term, given the strength and diversity of the Group. The Board will assess future dividends based on circumstances at the time. Subject to this, the Board's target for 2008 is that there would be a similar dividend payout ratio to 2007, based on earnings adjusted to exclude credit market-related write-downs and non-recurring items such as gains on disposals and integration costs.

It should be noted that the capital raised in the rights issue is not expected to generate the same return as existing capital in the business. This effect alone is likely to result in a reduction in dividend per share in 2008, after taking into account an adjustment in respect of the bonus element of the rights issue.

The Board believes that it would be prudent to pay the 2008 interim dividend in shares. It is, however, RBS's current intention that the 2008 final dividend will be paid in cash.

The Board confirms that the 2007 final dividend, if approved by shareholders, will be paid in cash as previously announced.

## **Board and Management**

This has been a difficult period for banks, including RBS. In addition to consideration of the capital position, the Board has taken the opportunity to stand back and look at the management and governance of the business and how effectively it is functioning.

The Board of RBS has full confidence that the executive team will be able to lead RBS through the current challenging conditions, deliver the transaction benefits relating to the acquisition of ABN AMRO, and realise the substantial value in RBS's UK and international franchises.

In response to the difficulties in its credit markets business, RBS has made significant changes to its North American management structure and has strengthened the control environment within GBM. Certain structured credit activities have been discontinued and problematic US sub-prime mortgage-related assets are now managed by a dedicated work-out unit with a view to minimising risk and reducing positions at an appropriate pace.

As part of continuing succession planning, the Nominations Committee and full Board have been engaged throughout 2007 in planning future changes to the Board and searches are already under way to recruit three new non-executive directors with experience appropriate to the enlarged Group's operations.

Each of the directors intends to take up in full his or her rights to subscribe for new RBS ordinary shares under the rights issue.

## **Contacts**

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Head of Investor Relations  
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## **Wire Services Conference Call**

0730, 22 April 2008

## **Analysts Conference**

280 Bishopsgate, London, EC2M 4RB  
0930, 22 April 2008



## **Press Conference**

280 Bishopsgate, London, EC2M 4RB  
1200, 22 April 2008

## **Dial-in Numbers**

International Dial-in: +44 (0) 1452 55 00 00  
UK Free Call Dial-in: 0800 953 1533  
UK Local Dial-in: 0845 245 5205  
USA Free Call Dial-in: 1866 247 4222  
Replay Access No: 44362366#

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for RBS and for no-one else as joint sponsor, joint bookrunner and joint underwriter in relation to the proposed Rights Issue and the listing of the New Shares on the Official List and their admission to trading on the London Stock Exchange's market for listed securities, and will not be responsible to any other person for providing the protections afforded to clients of Goldman Sachs International nor for providing advice in connection with the proposed Rights Issue, proposed listing or admission to trading or contents of this announcement or any other matters referred to in this announcement.

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Goldman Sachs International, Merrill Lynch International, UBS Limited and the other underwriters may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights or the Ordinary Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable law or regulation, the underwriters do not propose to make any public disclosure in relation to such transactions.

A circular to Shareholders relating to the Rights Issue is expected to be published and posted to Shareholders during April 2008. A Prospectus relating to the Rights Issue is expected to be published and posted to Shareholders by early May 2008. The Provisional Allotment Letters are expected to be despatched by early May 2008. The Prospectus will give further details of the New Shares, the Nil Paid Rights and the Fully Paid Rights to be offered pursuant to the Rights Issue.

A copy of the Prospectus when published will be available from the registered office of The Royal Bank of Scotland Group plc at 36 St Andrew Square, Edinburgh, EH2 2YB and from its head office at Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ. The Prospectus will be also available for inspection during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excepted) from the date of its publication until Admission at the offices of Linklaters LLP, One Silk Street, London, EC2Y 8HQ.

This announcement is not a Prospectus but an advertisement and investors should not subscribe for any Nil Paid Rights, Fully Paid Rights or New Shares referred to in this announcement except on the basis of the information contained in the Prospectus.

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The distribution of this announcement and/or the Prospectus and/or the Provisional Allotment Letters and/or the transfer of Nil Paid Rights, Fully Paid Rights and/or New Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Certain statements made in this announcement constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward looking statements can be identified by the use of words such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions and relate to, among other things, the performance of RBS’s various business units in the near to medium term, the amount by which RBS expects to write down the value of certain of its assets, RBS’s expectations in respect of the rights issue, its capital ratios and its dividend payout ratio, RBS’s business strategy and its plans and objectives for future operations. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. Factors that might cause forward looking statements to differ materially from actual results include, among other things, general economic conditions in the European Union, in particular in the United Kingdom, and in other countries in which RBS has business activities or investments, including the United States; the inability of RBS to hedge certain risks economically; the adequacy of RBS’s impairment provisions and loss reserves; RBS’s ability to achieve revenue benefits and cost savings from the integration of certain of ABN AMRO’s businesses and assets; and the potential exposure of RBS to various types of market risks, such as interest rate risk, foreign exchange rate risk, credit risk and commodity and equity price risk. These forward-looking statements speak only as of the date of this announcement. The information and opinions contained in this announcement are subject to change without notice and, subject to compliance with applicable law, RBS assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

## Appendix I

### Estimated Capital Ratios

The table below sets out the estimated capital ratios at 30 June and at 31 December 2008.

	<u>Core Tier 1</u>	<u>Tier 1</u>
<b><i>Fully consolidated basis</i></b>		
30 June 2008 . . . . .	>6%	>8%
31 December 2008 . . . . .	>6%	>8%
<b><i>Proportional consolidated basis</i></b>		
30 June 2008 . . . . .	>5%	>7.5%
31 December 2008 . . . . .	>6%	>8%

## Appendix II

### Monoline Exposures by Counterparty Credit Quality

<i>£bn</i>	<i>Notional</i>	<i>Fair Value of U'lying Asset</i>	<i>Current Estimates</i>			<i>Net Exposure</i>
			<i>Gross Exposure</i>	<i>Total W'downs (pre-tax)</i>	<i>Hedge</i>	
AAA/AA . . . . .	19.8	15.6	4.2	(1.1)	(0.4)	2.7
A/BBB . . . . .	2.6	2.2	0.4	(0.3)		0.2
Non-investment grade . . . . .	2.6	1.0	1.6	(1.3)		0.3
<b>Total . . . . .</b>	<b>25.0</b>	<b>18.8</b>	<b>6.2</b>	<b>(2.7)</b>	<b>(0.4)</b>	<b>3.2</b>
<b>Credit value adjustments taken in 2007 . . . . .</b>				0.9		
<b>Estimated credit value adjustments before tax in 2008 . . . . .</b>				(1.8)		

### Monoline Exposures by Collateral Type

<i>£bn</i>	<i>Notional</i>	<i>Fair Value of U'lying Asset</i>	<i>% Split U'lying Asset Value</i>	<i>U'lying Asset Value as % of Notional</i>	<i>Mark To Market</i>
RMBS and CDO of RMBS . . . . .	6.1	2.5	13%	41%	3.6
Other ABS . . . . .	4.5	4.1	22%	91%	0.3
CMBS . . . . .	3.7	2.6	14%	70%	1.0
Non ABS (incl CLOs) . . . . .	10.8	9.6	51%	88%	1.2
<b>Total . . . . .</b>	<b>25.0</b>	<b>18.8</b>	<b>100%</b>	<b>75%</b>	<b>6.2</b>

### CDO Exposures

<i>Super Senior Tranches of ABS CDOs</i>	<i>High Grade</i>	<i>Mezzanine</i>	<i>Total</i>
Net open exposures at 31 Dec 2007 (£bn) . . . . .	2.6	1.3	3.8
Effective attachment point at 31 Dec 2007 . . . . .	40%	62%	50%
Attachment point after estimated write-downs . . . . .	63%	89%	74%
% of underlying RMBS sub-prime assets . . . . .	69%	91%	79%
—originated in 2005 and earlier . . . . .	24%	23%	24%
—originated in 2006 . . . . .	28%	69%	46%
—originated in 2007 . . . . .	48%	8%	30%
Net open exposures after estimated write-downs (£bn) . . . . .	1.6	0.4	2.0

## Appendix III

### Trading Update

*This trading update constitutes RBS's Interim Management Statement for the period from 31 December 2007 to 22 April 2008. Comments relate primarily to pro forma unaudited results for the Group including the ABN AMRO businesses to be retained by RBS and cover the first quarter of 2008. Comparisons are with the first quarter of 2007, on the same pro forma basis, unless otherwise stated. Divisional analysis is on the basis of the new Group structure announced on 28 February 2008. Details of the revised structure and pro forma financial information for 2006 and 2007 are contained in the announcement and results presentation accompanying the Group's Annual Results on 28 February 2008 which are appended as Appendix IV. Additionally, details of loans and advances, customer deposits and risk-weighted assets at 31 December 2007 are appended as Appendix V.*

The operating performance of many of RBS's businesses since the beginning of 2008 has remained good, but results have been held back by the effects of the continuing deterioration in credit markets, which has resulted in additional write-downs on credit market exposures in the first quarter. Some Global Banking & Markets businesses have experienced a reduced level of activity, although others continue to perform well, as do Global Transaction Services and Regional Markets. Overall, the Group's underlying results, excluding write-downs, have remained satisfactory.

In a more uncertain environment for its customers, RBS has continued to benefit from strong growth in personal and corporate deposits and good growth in lending. Group net interest margin in the quarter was slightly lower, reflecting increased funding costs partially offset by stronger new business margins in some lending products.

Overall credit risk metrics have remained stable in the first quarter, with a continued decline in UK personal sector impairment losses but increased delinquencies in a specific US retail portfolio. Corporate credit quality remains broadly stable.

### RBS Divisions

#### Global Markets

**Global Banking & Markets** (GBM) has been acutely affected by credit market conditions, particularly in March, with further write-downs in credit markets during the quarter. There were good performances in rates and currencies, but lower business volumes in credit markets and equities, with corresponding reductions in costs. Credit impairments have remained low.

GBM has made a good start on exploiting the potential of ABN AMRO, with a significant number of deals already recorded as a result of combining the product expertise and customer franchises of the two businesses.

In response to the difficulties in its credit markets business, RBS has made significant changes to its North American management structure and has strengthened the control environment within GBM. It intends to reduce its headcount globally by more than originally envisaged through the ABN AMRO integration process.

Certain structured credit activities have been discontinued and problematic US sub-prime mortgage-related assets are now managed by a dedicated work-out unit with a view to minimising risk and reducing positions at an appropriate pace. GBM remains focused on effective management of its capital and has accelerated other balance sheet management actions.

**Global Transaction Services** (GTS) has delivered good growth in income and profit, despite a reduced benefit from non-interest bearing deposits as a result of lower interest rates. Transaction volumes have increased and the product strength and international capabilities of this new division have attracted significant new business, winning a number of notable new mandates in cash management, trade finance and financial institutions. GTS continues to expand its international reach in merchant acquiring. Expense growth has remained under control.

#### Regional Markets

**UK Retail & Commercial Banking** has achieved steady growth in income, net of claims. Retail and commercial deposits have grown strongly, increasing by 12% in the first quarter, and there has been

continued excellent progress in UK wealth management where assets under management increased by 15%. After two years in which RBS has had a limited appetite for the returns available in the UK mortgage market, it is now seeing competitors withdrawing from the market and has taken advantage of opportunities to write good credit quality mortgages at attractive margins. In the first quarter of 2008, RBS has achieved an 11% share of net new mortgage lending at an average loan to value of 64%.

Retail impairment losses have continued to decline, reflecting our continued cautious approach to the personal unsecured credit market, while commercial credit quality has remained stable. We continue to monitor our exposure to commercial property carefully, and remain satisfied with the performance of our portfolio. Only 1% of commitments secured on commercial property is for speculative commercial property development.

**US Retail & Commercial Banking** has continued to achieve modest income growth while maintaining good cost discipline, but overall results have been held back by increased impairments in one specific loan portfolio. RBS continues to diversify its business, achieving good growth in commercial banking volumes and in cards. Deposit volumes are stable, but margins have been eroded by competitive pressure. Consumer lending volumes have contracted as underwriting standards have been tightened and consumer spending has slowed. Investment is being focused on the development of commercial banking activities and other selected opportunities.

Citizens' credit portfolio continues to perform satisfactorily, with the exception of a specific portfolio within its home equity book, referred to in RBS's trading update of 6 December 2007. Delinquencies on this portfolio have risen markedly as the housing market has continued to weaken and the Group has continued to increase provisions. Excluding this portfolio, delinquencies in consumer lending represented only 0.7% of balances in the first quarter, unchanged from the level of a year earlier.

**Europe and Middle East Retail & Commercial Banking** has continued to deliver good profit growth, though income growth within Ulster Bank has moderated in line with the slower pace of Irish economic expansion. Credit quality remains stable. Results in sterling terms have benefited from the movement in the euro exchange rate. The business in the UAE continues to make good progress with record sales of credit cards and personal loans in March and continued strong performance in affluent banking.

**Asia Retail & Commercial Banking** has continued to generate very strong growth in both income and operating profit. RBS Coutts has maintained its momentum with deposits 18% ahead and assets under management 16% higher in March. In China, the affluent banking business is making excellent progress, with client funds doubling. The division is pressing ahead with continued focused investment in its retail and commercial banking franchise in the region.

**RBS Insurance** has achieved strong new business volumes and good renewal rates in its own motor and home brands. Expenses reflect accelerated marketing activity, while claims costs were lower as a result of enhanced risk selection as well as more favourable weather conditions. International businesses in Spain, Italy and Germany continued to make good progress.

**Group Manufacturing** has continued to deliver good productivity gains in support of business growth in our customer-facing divisions while continuing to invest in our infrastructure in the UK and internationally. Technology and operations costs remain tightly controlled.

### **Acquisitions and Disposals**

On 1 April 2008 RBS completed the formation of a commodities market-making joint venture with Sempra Energy, RBS Sempra Commodities.

### **ABN AMRO Integration**

Integration benefits and headcount reductions achieved during the first quarter are slightly ahead of RBS's initial expectations. Cost benefits are slightly ahead of schedule, while revenue benefits are slightly behind. As indicated in its announcement on 28 February 2008, RBS expects to achieve integration benefits totalling €2.3 billion by 2010, compared with its original estimate of €1.7 billion.

Implementation teams are now in place, with, for example, 44 separate workstreams established in GBM, covering products, clients, regions, functions and migration, involving 1,200 staff from RBS and ABN AMRO.

The ABN AMRO businesses acquired by RBS have been restructured to mirror the new RBS Group structure. Future single management appointments have been made and the co-location of GBM teams has begun, with rebranding of ABN AMRO buildings already under way. The combined GBM and GTS teams have already achieved a significant number of deals in which ABN AMRO customers gain access to RBS product capabilities, such as US Treasury bonds, while RBS customers benefit from ABN AMRO product expertise in areas such as cash management and trade finance.

## **Outlook**

The outlook is inevitably clouded by the disruption to markets, as a result of which volumes are likely to be significantly lower in some areas of GBM. However, other areas of GBM, and most of the Group's other businesses, are making good progress, taking advantage of the opportunities that have become available in this changed environment to achieve profitable growth at good risk-adjusted rates of return. The Group is now better positioned in growth economies and has many additional opportunities to exploit its enhanced presence, customer franchises and product capabilities.

With reinforced capital ratios, the Group will be in a stronger position to navigate through an economic environment that remains uncertain and well placed to take advantage of the growth opportunities available to it.



## Appendix IV

### Pro forma financial information for the Group under the revised divisional structure

In February 2008 RBS announced a new organisational structure. The main business units of the Group under the new structure are set out below.

Global Banking & Markets	UK Retail & Commercial Banking	US Retail & Commercial Banking	RBS Insurance
<ul style="list-style-type: none"> <li>● GBM except Transaction Banking</li> <li>● ABN AMRO 'GBM' except Transaction Banking</li> </ul>	<ul style="list-style-type: none"> <li>● UKCB except Money Transmission</li> <li>● Retail except Merchant Acquiring, Commercial Cards and Card Operations</li> <li>● UK Wealth Management</li> </ul>	<ul style="list-style-type: none"> <li>● Citizens, except Corporate Money Transmission, RBS Lynk and Citizens Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>● Direct Line</li> <li>● Churchill</li> <li>● Privilege</li> </ul> <p style="text-align: right;"><i>(unchanged)</i></p>
Global Transaction Services	Europe & Middle East Retail & Commercial Banking	Asia Retail & Commercial Banking	Group Manufacturing
<ul style="list-style-type: none"> <li>● ABN AMRO Transaction Banking</li> <li>● GBM Transaction Banking</li> <li>● UKCB Money Transmission</li> <li>● Citizens Corporate Money Transmission</li> <li>● Retail Merchant Acquiring</li> <li>● Retail Commercial Cards</li> <li>● RBS Lynk</li> </ul>	<ul style="list-style-type: none"> <li>● Ulster Bank, including ECF</li> <li>● ABN AMRO Retail &amp; Commercial in Europe and Middle East</li> </ul>	<ul style="list-style-type: none"> <li>● ABN AMRO Retail &amp; Commercial in Asia</li> <li>● International Wealth Management</li> </ul>	<ul style="list-style-type: none"> <li>● Manufacturing</li> <li>● ABN AMRO Manufacturing</li> <li>● Citizens Manufacturing</li> <li>● Card Operations</li> </ul>

Set out below are summarised pro forma unaudited results for the Group under the revised divisional structure. These show the underlying performance of the Group including the full year results of the ABN AMRO businesses acquired by RBS.

*These figures are provisional and may be refined in due course. However, no material adjustments are anticipated.*

#### GROUP

	2007	2006
	£m	£m
Total income . . . . .	<b>33,490</b>	31,737
Operating expenses . . . . .	<b>16,553</b>	15,957
Insurance net claims . . . . .	<b>4,528</b>	4,458
<b>Operating profit before impairment losses . . . . .</b>	<b>12,409</b>	11,322
Impairment losses . . . . .	<b>2,095</b>	2,000
<b>Group operating profit * . . . . .</b>	<b>10,314</b>	9,322



## BALANCE SHEET AT 31 DECEMBER 2007

	<u>2007</u>
	£bn
Loans and advances to customers—gross . . . . .	707.2
Customer Deposits . . . . .	559.0
Risk Weighted Assets . . . . .	490.0

### DIVISIONAL ANALYSIS

	<u>2007</u>	<u>2006</u>
	£m	£m
Global Banking & Markets . . . . .	4,916	4,365
Global Transaction Services . . . . .	1,632	1,561
UK Retail & Commercial Banking . . . . .	6,250	5,722
US Retail & Commercial Banking . . . . .	1,557	1,821
Europe and Middle East Retail & Commercial Banking . . . . .	760	662
Asia Retail & Commercial Banking . . . . .	209	119
RBS Insurance . . . . .	902	964
Group Manufacturing . . . . .	(4,234)	(4,164)
Central items . . . . .	(1,678)	(1,728)
<b>Group operating profit *</b> . . . . .	<u>10,314</u>	<u>9,322</u>

\* Group operating profit

#### Excludes

- RBS unusual items—credit market write-downs and goodwill payments, offset by the gains on sale of Southern Water and certain other assets
- ABN AMRO pre and post acquisition credit market write-downs and the impact of the LaSalle sale
- RBS share of ABN AMRO's shared assets
- amortisation of purchased intangible assets and integration costs; and

#### Includes

- the cost of funding the ABN AMRO acquisition within Central Items. Whilst part of the acquisition consideration was funded by the issue of preference shares, these pro forma results assume that the cash element of the consideration was debt funded.

<u>Global Banking &amp; Markets</u>	<u>2007</u>	<u>2006</u>
	£m	£m
Rates, Currencies & Commodities . . . . .	3,280	2,050
Equities . . . . .	1,221	1,036
Credit Markets . . . . .	2,667	2,869
Asset & Portfolio Management . . . . .	3,722	3,936
Total income . . . . .	10,890	9,891
Direct expenses . . . . .	5,850	5,476
Contribution before impairment losses . . . . .	5,040	4,415
Impairment losses . . . . .	124	50
<b>Contribution</b> . . . . .	<u>4,916</u>	<u>4,365</u>

Global Banking & Markets comprises the Global Banking and Markets businesses of RBS and ABN AMRO except for transaction banking.

<b>Global Transaction Services</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Net interest income . . . . .	<b>839</b>	759
Non-interest income . . . . .	<b>1,348</b>	1,318
Total income . . . . .	<b>2,187</b>	2,077
Direct expenses . . . . .	<b>543</b>	519
Contribution before impairment losses . . . . .	<b>1,644</b>	1,558
Impairment losses . . . . .	<b>12</b>	(3)
<b>Contribution</b> . . . . .	<b>1,632</b>	<b>1,561</b>

Global Transaction Services comprises RBS and ABN AMRO transaction banking, UK and US corporate money transmission, UK and US merchant acquiring and UK commercial cards.

<b>UK Retail &amp; Commercial Banking</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Net interest income . . . . .	<b>6,677</b>	6,406
Non-interest income . . . . .	<b>4,432</b>	4,170
Total income . . . . .	<b>11,109</b>	10,576
Direct expenses . . . . .	<b>2,973</b>	2,868
Insurance net claims . . . . .	<b>518</b>	488
Contribution before impairment losses . . . . .	<b>7,618</b>	7,220
Impairment losses . . . . .	<b>1,368</b>	1,498
<b>Contribution</b> . . . . .	<b>6,250</b>	<b>5,722</b>

UK Retail & Commercial Banking comprises UK Retail Banking and UK Commercial Banking which are set out below.

<b>UK Retail Banking</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Net interest income . . . . .	<b>4,680</b>	4,544
Non-interest income . . . . .	<b>3,423</b>	3,276
Total income . . . . .	<b>8,103</b>	7,820
Direct expenses . . . . .	<b>2,068</b>	2,027
Insurance net claims . . . . .	<b>518</b>	488
Contribution before impairment losses . . . . .	<b>5,517</b>	5,305
Impairment losses . . . . .	<b>1,188</b>	1,309
<b>Contribution</b> . . . . .	<b>4,329</b>	<b>3,996</b>

UK Retail Banking comprises Retail Markets except for merchant acquiring, commercial cards and International Wealth Management.

<b>UK Commercial Banking</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Net interest income . . . . .	<b>1,997</b>	1,862
Non-interest income . . . . .	<b>1,009</b>	894
Total income . . . . .	<b>3,006</b>	2,756
Direct expenses . . . . .	<b>905</b>	841
Contribution before impairment losses . . . . .	<b>2,101</b>	1,915
Impairment losses . . . . .	<b>180</b>	189
<b>Contribution</b> . . . . .	<b>1,921</b>	<b>1,726</b>

UK Commercial Banking comprises UK Corporate Banking except for money transmission.

<b>US Retail &amp; Commercial Banking</b>	<b>2007</b>	<b>2006</b>
	<b>\$m</b>	<b>\$m</b>
Net interest income . . . . .	<b>3,873</b>	3,765
Non-interest income . . . . .	<b>1,870</b>	1,905
Total income . . . . .	<b>5,743</b>	5,670
Direct expenses . . . . .	<b>1,949</b>	1,975
Contribution before impairment losses . . . . .	<b>3,794</b>	3,695
Impairment losses . . . . .	<b>682</b>	333
<b>Contribution</b> . . . . .	<b>3,112</b>	<b>3,362</b>

US Retail & Commercial Banking comprises Citizens except for corporate money transmission, merchant acquiring and its manufacturing activities.

<b>Europe and Middle East Retail &amp; Commercial Banking</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Net interest income . . . . .	<b>1,053</b>	925
Non-interest income . . . . .	<b>363</b>	287
Total income . . . . .	<b>1,416</b>	1,212
Direct expenses . . . . .	<b>521</b>	423
Contribution before impairment losses . . . . .	<b>895</b>	789
Impairment losses . . . . .	<b>135</b>	127
<b>Contribution</b> . . . . .	<b>760</b>	<b>662</b>

Europe and Middle East Retail & Commercial Banking comprises Ulster Bank and ABN AMRO retail and commercial businesses in Europe and Middle East.

<b>Asia Retail &amp; Commercial Banking</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Net interest income . . . . .	<b>285</b>	226
Non-interest income . . . . .	<b>398</b>	305
Total income . . . . .	<b>683</b>	531
Direct expenses . . . . .	<b>356</b>	272
Contribution before impairment losses . . . . .	<b>327</b>	259
Impairment losses . . . . .	<b>118</b>	140
<b>Contribution</b> . . . . .	<b>209</b>	<b>119</b>

Asia Retail & Commercial Banking comprises the International Wealth Management activities of RBS and the retail and commercial businesses of ABN AMRO in Asia.

**Group Manufacturing** comprises RBS and ABN AMRO Manufacturing activities. The scope of Global Manufacturing has been expanded to include US Retail & Commercial Banking's manufacturing activities and UK Cards operations.

**Central Items** comprises RBS group and corporate functions, the RBS share of ABN AMRO's head office costs and the pro forma funding costs associated with the ABN AMRO acquisition.

## Appendix V

<b>Loans and Advances to Customers—Gross</b>	<b>31 December 2007</b>
	<b>£bn</b>
<b>Excluding Reverse Repos</b>	
Global Banking & Markets . . . . .	227.2
Global Transaction Services . . . . .	9.9
UK Retail & Commercial Banking . . . . .	218.4
US Retail & Commercial Banking . . . . .	57.0
Europe and Middle East Retail & Commercial Banking . . . . .	47.8
Asia Retail & Commercial Banking . . . . .	4.3
Other . . . . .	0.4
	565.0
<b>Reverse Repos</b> . . . . .	<b>142.2</b>
<b>Group</b> . . . . .	<b>707.2</b>
<b>Customer Deposits</b>	<b>31 December 2007</b>
	<b>£bn</b>
<b>Excluding Repos</b>	
Global Banking & Markets . . . . .	106.9
Global Transaction Services . . . . .	45.7
UK Retail & Commercial Banking . . . . .	200.9
US Retail & Commercial Banking . . . . .	51.9
Europe and Middle East Retail & Commercial Banking . . . . .	22.2
Asia Retail & Commercial Banking . . . . .	11.3
	438.9
<b>Repos</b> . . . . .	<b>120.1</b>
<b>Group</b> . . . . .	<b>559.0</b>
<b>Risk Weighted Assets</b>	<b>31 December 2007</b>
	<b>£bn</b>
Global Banking & Markets . . . . .	191.4
Global Transaction Services . . . . .	12.7
UK Retail & Commercial Banking . . . . .	178.9
US Retail & Commercial Banking . . . . .	57.1
Europe and Middle East Retail & Commercial Banking . . . . .	36.7
Asia Retail & Commercial Banking . . . . .	3.3
Other . . . . .	9.9
	490.0
<b>Group</b> . . . . .	<b>490.0</b>

## SECTION 2

### 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 14 May 2008 at 12.00 noon in the RBS Conference Centre, RBS Gogarburn, Edinburgh, EH12 1HQ for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

#### Ordinary Resolutions

1. THAT:
  - (a) the authorised share capital of the Company be increased by the creation of an additional 6,123,010,462 ordinary shares of 25 pence each in the capital of the Company, such shares forming one class with the existing ordinary shares and having attached thereto the respective rights and privileges and being subject to the limitations and restrictions set out in the Articles of Association of the Company (the "Articles of Association"); and
  - (b) the authority to allot relevant securities conferred on the Directors of the Company by Article 13(B) of the Articles of Association for the prescribed period ending on the date of the Annual General Meeting in 2009 be varied by increasing the "Section 80 Amount" (as defined in the Articles of Association) by £1,530,752,616 to £2,364,677,687.
2. THAT:
  - (a) in addition to the increase in the authorised share capital proposed in resolution 1, the authorised share capital of the Company be increased by the creation of an additional 1,000,000,000 ordinary shares of 25 pence each in the capital of the Company, such shares forming one class with the existing ordinary shares and having attached thereto the respective rights and privileges and being subject to the limitations and restrictions set out in the Articles of Association; and
  - (b) pursuant to Article 148 of the Articles of Association, upon the recommendation of the Directors, an amount of up to £250,000,000 (being part of the sums standing to the credit of any of the Company's distributable reserves, share premium account or capital redemption reserve as the Directors at their discretion may determine) be capitalised, being such amount as the Directors may determine for the purposes of issuing new ordinary shares instead of paying an interim dividend in respect of the financial year ending on 31 December 2008 and that the Directors be authorised to apply such amount in paying up new ordinary shares and to allot such shares, credited as fully paid, to the holders of ordinary shares on the register on such record date as the Directors may determine with authority to deal with fractional entitlements arising out of such allotment as they think fit and authority to take all such other steps as they may deem necessary or desirable to implement such capitalisation and allotment; and
  - (c) the Directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £250,000,000 provided that such authority shall be limited to the allotment of relevant securities pursuant to, in connection with or for the purposes of the capitalisation of reserves referred to in paragraph (b) of this resolution, such authority to expire on 31 December 2008 and by such authority and power the Directors may during such period make offers or agreements which would or might require securities to be allotted after the expiry of such period.

By order of the board of directors of the Company  
Miller McLean  
Group Secretary

Date: 25 April 2008

*Notes:*

- (1) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at close of business on Monday 12 May 2008 or, in the event that 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 close of business on Monday 12 May 2008 will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (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 be effective, it must be completed and be received at the Company's transfer office at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 12.00 noon on Monday 12 May 2008.
- (3) Any person to whom this Notice of General Meeting 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 notes 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.
- (6) As at 23 April 2008 (being the latest practicable date prior to the printing of this notice) the issued share capital of the Company conferring the right to vote at the General Meeting consisted of 10,019,471,665 ordinary shares of 25p each carrying one vote each, 400,000 5½ per cent cumulative preference shares of £1 each carrying four votes each, and 500,000 11 per cent cumulative preference shares of £1 each carrying four votes each. Therefore, the total number of voting rights in the Company as at 23 April 2008 was 10,023,071,665.
- (7) In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the meeting to follow the procedure set out in the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives. Please see [www.icsa.org.uk](http://www.icsa.org.uk) for further details of this procedure or contact the Company's Registrar on 0870 702 0135 or, if calling from outside the UK, +44 870 702 0135.





















