

ROYAL BANK OF SCOTLAND GROUP PLC
Form FWP
May 11, 2017

Free Writing Prospectus dated May 10, 2017

(to Prospectus dated March 31, 2015 and

Preliminary Prospectus Supplement dated May 9, 2017)

Filed pursuant to Rule 433

Registration Statement No. 333-203157

The Royal Bank of Scotland Group plc

TERMS AND CONDITIONS

\$1,500,000,000 Floating Rate Senior Notes due 2023

Issuer	The Royal Bank of Scotland Group plc (“RBSG”)
Securities	\$1,500,000,000 aggregate principal amount of Floating Rate Senior Notes due 2023 (the “Floating Rate Notes”).
Ranking	The Floating Rate 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	\$1,500,000,000
Trade Date	May 10, 2017
Settlement Date	May 15, 2017 (T+3)
Maturity	May 15, 2023
Coupon	Three-month U.S. dollar Libor plus 147bps, accruing from the Settlement Date to, but excluding the Maturity Date
Coupon Frequency	Quarterly in arrear, commencing from August 15, 2017 to and including the Maturity Date

Edgar Filing: ROYAL BANK OF SCOTLAND GROUP PLC - Form FWP

Interest Payment Dates	Interest will be payable quarterly on May 15, August 15, November 15 and February 15 of each year, commencing on August 15, 2017 and ending on the Maturity Date
Interest Reset Dates	February 15, May 15, August 15 and November 15 of each year, beginning on May 15, 2017
Interest Determination Date	The second London banking day (as defined on the prospectus supplement) preceding each applicable Interest Reset Date
Day Count Convention	Actual /360 (Modified following)
Business Days	New York and London
Pricing Benchmark	Three-month U.S. dollar Libor (Reuters, LIBOR01), modified following, adjusted
Spread to Benchmark	+ 147bps
Issue Price	100.000%
Gross Proceeds	\$1,500,000,000
All in Price	99.650%
Fees	0.350%
Net Proceeds	\$1,494,750,000
Redemption Price	100.000% of the principal amount of the Floating Rate Notes

The Floating Rate Notes are not redeemable at the option of the holders at any time.

Redemption RBSG may redeem the Floating Rate Notes at its sole discretion, in whole but not in part on the Optional Redemption Date (as defined in the prospectus supplement) at 100% of their principal amount plus accrued but unpaid interest to, but excluding, the date of redemption. In addition, RBSG may redeem the Floating Rate Notes, in whole but not in part, at 100% of their principal amount plus 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 “*Description of Debt Securities—Redemption*,” “*Description of the Senior Notes Loss—Absorption Disqualification Event Redemption*” and “*Description of the Senior Notes— Tax Redemption*” in the prospectus supplement.

Redemption Conditions Notwithstanding any other provision, RBSG may only redeem the Floating Rate Notes prior to the maturity date or repurchase the Floating Rate Notes (and give notice thereof to the holders of such Floating Rate 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 Floating Rate 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*.”

Agreement with Respect to the Exercise of U.K. Bail-in Power Notwithstanding any other agreements, arrangements, or understandings between RBSG and any holder or beneficial owner of the Floating Rate Notes, by its acquisition of Floating Rate Notes, each holder and beneficial owner of the Floating Rate Notes acknowledges, accepts, agrees to be bound by and consents to the exercise of any UK bail-in power by the relevant UK resolution authority which may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Floating Rate Notes; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Floating Rate 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 Floating Rate Notes, or amendment of the amount of interest due on the Floating Rate 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 Floating Rate Notes solely to give effect to the exercise by the relevant UK resolution authority of such UK bail-in power. Each holder and beneficial owner of the Floating Rate Notes further acknowledges and agrees that the rights of the holders and/or beneficial owners under the Floating Rate 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 resolution authority.

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 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 resolution 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 Floating Rate Notes or payment of interest on the Floating Rate Notes shall become due and payable after the exercise of any U.K. bail-in power by the relevant U.K. resolution 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. Credit Suisse Securities (USA) LLC
Joint Bookrunners and Joint Lead Managers	Morgan Stanley & Co. LLC RBS Securities Inc. UBS Securities LLC CIBC World Markets Corp.
Co-Managers	Swedbank AB (publ)
Denominations	\$200,000 and integral multiples of \$1,000 in excess thereof
Listing	An application will be made to list the Floating Rate Notes on the New York Stock Exchange
Expected Security Ratings*	BBB- / BBB+ / Ba1 (S&P / Fitch / Moody’s)
Clearing and Settlement	DTC
CUSIP	780097 BF7
ISIN	US780097BF78
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 Floating Rate 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, RBS Securities Inc. will arrange to send you the base prospectus at no charge if you request it by calling Credit Suisse Securities (USA) LLC toll-free at 1-800-221-1037, calling Morgan Stanley & Co. LLC toll-free at 1-866-718-1649, calling RBS Securities Inc. at 1-866-884-2071 or calling UBS Securities LLC toll-free at 1-888-827-7275.