

Independent Assurance Statement to the Directors of the Royal Bank of Scotland Group Plc

We have performed a limited assurance engagement in relation to selected sustainability content within The Royal Bank of Scotland's ('RBS') Strategic Report and the Sustainable Banking pages on RBS.com for the year ended 31 December 2019 ('the Report') in order to state whether anything has come to our attention that causes us to believe that the Subject Matter is not presented, in all material respects, in accordance with the Criteria as identified below.

Respective responsibilities

RBS management are responsible for the collection and presentation of the information within the Report. RBS management are also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error. Our responsibility, in accordance with RBS management's instructions, is to carry out a 'limited level' assurance engagement on selected data and performance claims in the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The criteria we have used to evaluate the Report ("the Criteria") include RBS's own criteria as set out in the 'Basis of Reporting' document available on the Sustainable Banking pages on rbs.com.

Summary of work performed

Our assurance procedures performed were based on our professional judgement and included, but were not limited to:

- ▶ Interviewed selected personnel across RBS's corporate functions and customer franchises to understand processes for the collection and accurate reporting of performance information;
- ▶ Reviewed the guidance on data reporting, key processes and quality assurance performed;
- ▶ Selected a sample of data points from across the business and sought documentary evidence to support the data;
- ▶ Conducted a walk-through of data to test consolidation;
- ▶ Reviewed any explanations provided for significant variances;
- ▶ Reviewed selected performance information on a materiality basis and selected documentation supporting assertions made, and;
- ▶ Reviewed the Report for the appropriate presentation of the data including limitations and assumptions.

Our review of the sustainability data was limited to the following metrics for the 2019 reporting period, marked in the strategic report with a (*):

- ▶ Total scope 1 and 2 location-based CO₂-e emissions and Scope 3 emissions from business travel (tCO₂e)
- ▶ Percentage of total RBS exposures to sectors having particular exposure to climate risks and opportunities (%)
- ▶ Banking Standards Board Survey result (Score)
- ▶ Total gender balance in top 3 senior layers (%)
- ▶ Percentage of digitally active customers(%)
- ▶ Net Promoter Score (score)
- ▶ Number of financial health checks undertaken (#)
- ▶ Value of attempted fraud prevented in UK (£)
- ▶ Number of first time buyer mortgage customers supported (#)
- ▶ Minimum number of jobs created by businesses participating in NatWest's Entrepreneur Accelerator programme (#)

Limitations

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on RBS's controls for managing and reporting sustainability information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. Our controls testing relates specifically to the metrics identified above and does not extend to controls relating to RBS' underlying IT systems.

Our assurance was limited to the RBS 2019 Strategic Report and RBS.com webpages. We provide no assurance over changes to the content after the date of this assurance report.

Our conclusions

Based on our limited assurance procedures, as described in this statement, nothing has come to our attention that causes us to believe that the selected disclosures outlined above are not presented, in all material respects, in accordance with the Criteria.

Our independence

We comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1¹. Ernst & Young's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

We confirm annually to RBS whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2019.

Ernst & Young LLP, London

13th February 2020

¹ Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1)