The Royal Bank of Scotland

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26 February 2009

The Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi-74000
Pakistan

Attention: Muhammad Ghfran, Deputy General Manager.

Dear Sirs,

In connection with the public announcement to be made by The Royal Bank of Scotland Group plc to the London Stock Exchange today, we wanted to provide you with some specific details on how the results of the related Strategic Review initiated by our Chief Executive Officer, Stephen Hester, will affect Pakistan.

With respect to Pakistan:

- As part of the Strategic Review announcement, RBS has announced its intention to explore new ownership for the Retail and Commercial, GBM and GTS businesses in Pakistan.
- There are several reasons why this decision has been made. The current capital constraints on the RBS Group and the need for RBS to reduce the size of its balance sheet means it is unable to provide the investment the business in Pakistan requires to achieve its growth potential. The decision recognises the strength of the customer franchise the Pakistan business has built and also the growth potential of this particular business.
- At this stage, we are unable to confirm details surrounding the potential sale but we can confirm that it has generated considerable interest from potential purchasers reinforcing the value and potential of the business in Pakistan.
- We will, of course, continue to meet our legal and regulatory obligations in Pakistan and to ensure that our business continues to be managed in an orderly way through the transition phase we are about to enter.

Please note that we are in the process of preparing the necessary formal filings to the Karachi Stock Exchange in relation to the London Stock Exchange announcement referred to above.

Should you have any queries please contact Mian Ejaz Ahmad, Company Secretary, The Raoyal Bank of Scotland Limited at 021-563 4463.

Yours faithfully,

Mian Ejaz Ahmad