



MERGER ANNOUNCEMENT

04 JUNE 2010

Competition Authority Clears Acquisition of Priory Investments Holdings Limited and its subsidiaries by RBS Group Plc.

The Competition Authority has today cleared the proposed transaction whereby The Royal Bank of Scotland Group Plc ("RBS") would acquire sole control of Priory Investments Holdings Limited ("PIHL") and its subsidiaries. The transaction was notified by the parties under the Competition Act 2002 on 21 May 2010.

RBS is the holding company of a global banking and financial services group, listed on the London Stock Exchange and headquartered in Edinburgh, Scotland. RBS operates through two principal subsidiaries, the Royal Bank of Scotland and NatWest.

PIHL is a holding company which is registered in the Cayman Islands. PIHL through its subsidiaries is active in the healthcare sector in the U.K. The group provides the following services: neuro-rehabilitation services, care and nursing homes, fostering services, educational services and secure mental health facilities.

The Competition Authority has formed the view that the proposed acquisition does not raise any competition concerns in the State. The companies have been informed of the decision that the proposed transaction will not lead to a substantial lessening of competition in any markets for goods or services in the State. The proposed transaction may now proceed.

A public version of the full text of the reasons for the Authority's decision will be published on the Authority's website (www.tca.ie) no later than 03 August 2010 after allowing the parties the opportunity to request that confidential information is removed from the published version.

For further information contact:

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