

THE ROYAL BANK OF SCOTLAND GROUP AND TD WATERHOUSE TO FORM JOINT VENTURE

Jul 9, 2002

The Royal Bank of Scotland Group plc ("RBSG") has today, 9 July 2002, agreed to the sale of 50 per cent of the issued ordinary share capital of NatWest Personal Financial Management Limited ("NWPFM"), the holding company for NatWest Stockbrokers Limited ("NWS"), to The Toronto-Dominion Bank, the ultimate holding company for TD Waterhouse Investor Services (Europe) Limited ("TD Waterhouse"). Under the terms of the agreement NWS will become a 50:50 owned joint venture company which will continue to operate using its existing name. Completion of the transaction is conditional upon the necessary regulatory consents having been obtained and is expected to take place in approximately two months.

It is expected that NWPFM will have consolidated net assets of approximately #22 million as at the date of completion.

This transaction will see TD Waterhouse provide the operational and settlement platform for execution only share deals to the customers of RBSG's core retail banking brands. By outsourcing this to TD Waterhouse NWS will benefit from the significant investment TD Waterhouse has made in its UK platform. NWS will also have the opportunity to expand and enhance the services it can offer the bank's retail customer base while TD Waterhouse will benefit from increased order flow through its share-dealing infrastructure.

Gordon Pell, Chairman, Retail Banking and Wealth Management, RBSG, said, "This is an ideal partnership. NatWest Stockbrokers is one of the most highly regarded providers of execution only share dealing services in the UK and TD Waterhouse is a world leader who has already made a significant investment in its operating platform in the UK and enjoyed considerable success.

"The new partnership will allow us to focus on delivering a quality service to our customers as well as giving us the capability to extend our offering to our entire retail customer base."

Bharat Masrani, Executive Vice President of TD Bank Financial Group and Vice Chairman of TD Waterhouse Group, said, "The share dealing market is fast moving and customers demand the very highest levels of service when settling their trades and that is exactly what we provide. This joint venture is testament to the quality, capacity and capabilities of the TD Waterhouse operational platform and NatWest Stockbroker's reputation for customer service."

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