

SUPPLEMENTARY OFFERING MEMORANDUM DATED SEPTEMBER 9, 2011



The Royal Bank of Scotland Group plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC045551)

The Royal Bank of Scotland plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC090312)

\$35,000,000,000

Medium-Term Note Program

Due Six Months or More From Date of Issue

This Supplement (the "**Supplement**") to the Offering Memorandum (the "**Offering Memorandum**") dated June 7, 2011, which comprises, except as set out therein under the heading "*Documents Incorporated by Reference*" on pages 3 to 5 of the Offering Memorandum, a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the \$35,000,000,000 Medium-Term Note Program established by The Royal Bank of Scotland Group plc ("**RBSG**" and in its capacity as guarantor, the "**Guarantor**") and The Royal Bank of Scotland plc ("**RBS**") (each, an "**Issuer**" and together, the "**Issuers**"). Terms defined in the Offering Memorandum and the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum and the Base Prospectus and the documents incorporated by reference therein. This Supplement should also be read and construed in conjunction with the supplementary offering memorandums dated June 15, 2011, August 16, 2011 (the "**August 16 Supplemental Offering Memorandum**") and August 31, 2011 (together, the "**Previous Supplements**") and the documents incorporated by reference therein.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of this Supplement

The purpose of this Supplement is to amend certain information relating to litigation and regulatory proceedings contained in the Registration Documents, which is incorporated by reference in the Offering Memorandum and the Base Prospectus by virtue of the August 16 Supplemental Offering Memorandum.

Litigation

By virtue of this Supplement, the section of the RBSG Registration Document and RBS Registration Document entitled "Other securitisation and securities related litigation in the United States", in each case, on pages 34 and 35 thereof shall be amended by the incorporation of the following paragraph after the third paragraph of each section which ends "... will pursue these threatened claims":

"On 2 September 2011, the US Federal Housing Finance Agency ("FHFA") as conservator for the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Company ("Freddie Mac") filed 17 lawsuits in the United States against a number of international banks and individual defendants, including RBSG, certain other Group companies and five individual officers and directors of the Group's subsidiaries. The lawsuits involve allegations that certain disclosures made by the defendants in connection with the relevant offering or underwriting of securities contained materially false or misleading statements and/or omissions regarding the underwriting standards pursuant to which the mortgage loans underlying the securities were issued. Group entities are named as defendants in their capacities as issuers and underwriters of securities, not as originators of any underlying mortgage loans. Although its claims against the Group are currently unquantified, the plaintiff refers to Fannie Mae's and Freddie Mac's losses on securities with original face values of over US\$30 billion."

A copy of any or all of the information which is incorporated by reference in the Base Prospectus can be obtained from the website of RBS at <http://www.rbs.com>.

The hyperlink included in this Supplement is included for information purposes only.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated by reference in the Offering Memorandum or the Base Prospectus or the Previous Supplements, the statements in this Supplement will prevail.

Save as disclosed in the Previous Supplements and this Supplement or in any document incorporated by reference in the Base Prospectus by virtue of the Previous Supplements, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.