

SUPPLEMENTARY OFFERING MEMORANDUM DATED NOVEMBER 15, 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 (this "**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 to the Base Prospectus is supplemental to, and should be read in conjunction with, the Base Prospectus and the documents incorporated by reference therein. This Supplement to the Offering Memorandum is supplemental to, and should be read in conjunction with, the Offering Memorandum 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**"), August 31, 2011 (the "**August 31 Supplemental Offering Memorandum**"), September 9, 2011 (the "**September 9 Supplemental Offering Memorandum**"), September 21, 2011, October 10, 2011 and October 14, 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:

- (a) incorporate by reference into the Offering Memorandum and the Base Prospectus the RBSG Interim Management Statement (as defined below);
- (b) for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, amend: (i) the statements of no significant change and no material adverse

change contained in the registration document of RBSG dated August 5, 2011 (which was approved by the Financial Services Authority and published via the Regulatory News Service of the London Stock Exchange plc (the “RNS”) on August 5, 2011) (the “**RBSG Registration Document**”); (ii) the statement of no material adverse change deemed to be contained in the registration document of RBS dated August 5, 2011 (which was approved by the Financial Services Authority and published via the RNS on August 5, 2011) (the “**RBS Registration Document**”) by virtue of the August 31 Supplemental Offering Memorandum; (iii) certain information relating to litigation proceedings initiated on September 2, 2011 by the US Federal Housing Finance Agency, contained in the RBSG Registration Document and in the RBS Registration Document; and (iv) the statement regarding the status of Standard & Poor’s Credit Market Services Europe Limited, Fitch Ratings Limited and Moody’s Investors Service Limited under Regulation (EC) No 1060/2009 contained in the RBSG Registration Document and the RBS Registration Document; and

- (c) amend certain ratings references on the cover page and delete certain ratings references on page 13 of the Offering Memorandum and Base Prospectus.

The RBSG Registration Document and the RBS Registration Document are each incorporated by reference into the Offering Memorandum and the Base Prospectus pursuant to the August 16 Supplemental Offering Memorandum.

Incorporation of Information by Reference into the Offering Memorandum and the Base Prospectus

By virtue of this Supplement, the unaudited financial information of RBSG as at and for the nine months ended September 30, 2011 on Form 6-K filed with the United States Securities and Exchange Commission on November 14, 2011 pursuant to the United States Securities Exchange Act of 1934, as amended (the “**RBSG Interim Management Statement**”) (available online at http://www.sec.gov/Archives/edgar/data/844150/000095010311004726/dp27178_6k.htm) and which has been (1) previously published and (2) approved by the Financial Services Authority or filed with it, shall be deemed to be incorporated in, and form part of, the Offering Memorandum and the Base Prospectus.

The hyperlink included in this Supplement by virtue of the above paragraph is included for information purposes only and the website and its content are not incorporated into, and do not form part of, this Supplement.

RBSG - No Significant Change and No Material Adverse Change

By virtue of this Supplement, each of the paragraphs under the heading “No Significant Change and No Material Adverse Change” on page 61 of the RBSG Registration Document shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following paragraphs:

“There has been no significant change in the trading or financial position of the Group taken as a whole since 30 September 2011 (the end of the last financial period for which either audited financial information or interim financial information has been published).

Save in relation to matters referred to in the RBSG Interim Results 2011 and the RBSG Interim Management Statement, relating to (i) Payment Protection Insurance (see pages 109 and 110 of the RBSG Interim Results 2011); (ii) the Group’s exposure to Greek sovereign debt (see page 18 of the RBSG Interim Management Statement), in respect of both of which the Group has made provisions for therein; and (iii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 45-

47 of the RBSG Interim Management Statement), there has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Group was prepared)."

RBS - No Material Adverse Change

By virtue of this Supplement, the following paragraph under the heading "No Significant Change and No Material Adverse Change" deemed to be contained on page 59 of the RBS Registration Document for the purposes of inclusion in the Offering Memorandum and the Base Prospectus:

"Save in relation to matters referred to on page 22 of the RBS Interim Results 2011, relating to Payment Protection Insurance, which the Issuer Group has made provisions for therein, there has been no material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Issuer Group was prepared)."

which is incorporated by reference into the Offering Memorandum and the Base Prospectus by virtue of the August 31 Supplemental Offering Memorandum shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following paragraph:

"Save in relation to (i) matters referred to on page 22 of the RBS Interim Results 2011, relating to Payment Protection Insurance, in respect of which the Issuer Group has made provisions for therein; and (ii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 45-47 of the RBSG Interim Management Statement), there has been no material adverse change in the prospects of the Issuer Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Issuer Group was prepared)."

Litigation

By virtue of this Supplement, the section entitled "Other securitisation and securities related litigation in the United States" on pages 34 and 35 of the RBSG Registration Document and of the RBS Registration Document, in each case, shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus be deemed to be amended as follows:

- (i) the wording incorporated after the third paragraph of that section on page 35 which is incorporated by reference into the Offering Memorandum and the Base Prospectus pursuant to the September 9 Supplemental Offering Memorandum shall no longer be incorporated in, and form part of, the Offering Memorandum and the Base Prospectus;
- (ii) the sixth word on the first line of the final paragraph of that section on page 35, "the", shall be deemed to be deleted and replaced with "these"; and
- (iii) the following paragraphs shall be incorporated after the final paragraph of that section on page 35:

"In addition to the above, 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 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. The plaintiffs' claims against the Group are currently unquantified.

The FHFA primary lawsuit against Group entities relates to approximately US\$32 billion of AAA rated RMBS issuance during the period 2005-2008 pursuant to which Group entities acted as sponsor/depositor and/or lead underwriter. The aggregate principal amount has been reduced to approximately US\$14 billion outstanding by repayments and recoveries of approximately US\$18 billion and losses to date of approximately US\$0.2 billion.

FHFA has also filed five lawsuits against each of Ally Financial Group, Countrywide Financial Corporation, JP Morgan, Morgan Stanley and Nomura in relation to some of the offerings where a Group entity acted as underwriter and is named amongst the defendants.

Group entities believe they have a variety of substantial and credible legal and factual defences available to all of the FHFA lawsuits and the Group will defend each of the matters vigorously. Additionally, Group entities potentially have recourse to indemnities from the relevant mortgage originators or sponsors/depositors although the amount and extent of any recovery is uncertain and subject to a number of factors, including the ongoing creditworthiness of the indemnifying party. Given the early stages of these matters, the Group cannot predict the outcome of these claims and is unable reliably to estimate the liability, if any, that may arise or its effect on the Group's consolidated net assets, operating results or cash flows in any particular period."

Credit Rating Agency Regulation

By virtue of this Supplement, the penultimate paragraph of the section entitled "Introduction" on page 2 of the RBSG Registration Document and of the RBS Registration Document, in each case, shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following:

"The credit ratings referred to and included in this Registration Document have been issued by Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investors Service Limited, each of which is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies."

Ratings

By virtue of this Supplement:

- (i) the following wording on the cover page of the Offering Memorandum and the Base Prospectus:

"The credit ratings included and referred to in this Offering Memorandum have been issued by Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and

Moody's Investors Service Limited, each of which is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, although the results of such applications have not yet been determined."

shall be deemed to be deleted and replaced with the following:

"The credit ratings referred to and included in this Offering Memorandum have been issued by Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investors Service Limited, each of which is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies."; and

- (ii) the second, third and fourth paragraphs under the sub-heading "Ratings" on page 13 of the Offering Memorandum and the Base Prospectus, shall be deemed to be deleted from the Offering Memorandum and the Base Prospectus.

A copy of the information which is incorporated by reference in the Base Prospectus can be obtained from the website of RBSG at www.rbs.com. This hyperlink is included in this Supplement for information purposes only and the website and its content are not incorporated into, and do not form part of, this Supplement.

If the document which is incorporated by reference in the Offering Memorandum and the Base Prospectus by virtue of this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Offering Memorandum and the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Offering Memorandum and the Base Prospectus by virtue of this Supplement.

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