

SUPPLEMENTARY OFFERING MEMORANDUM DATED OCTOBER 14, 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, September 9, 2011, September 21, 2011 and October 10, 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 update certain information contained in the Registration Documents (which are incorporated by reference in the Offering Memorandum and the Base Prospectus by virtue of the August 16 Supplemental Offering Memorandum) relating to:

- the expected ratings by Fitch Ratings Limited ("**Fitch**") of senior notes issued by RBSG and RBS. This update is necessary following an announcement by Fitch on October 13, 2011 of revisions to those ratings and those of certain other UK financial institutions due to Fitch's perception of a reduction of implied Government support for these institutions; and

- the proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to RBS,

each as described below.

Ratings Information

By virtue of this Supplement:

- the reference to Fitch's expected ratings of senior notes issued by RBSG in the second sentence of the fourth paragraph on page 1 of the RBSG Registration Document ("senior notes issued by RBSG with a maturity of one year or more "AA-"; senior notes issued by RBSG with a maturity of less than one year "F1+";") 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:

"senior notes issued by RBSG with a maturity of one year or more "A"; senior notes issued by RBSG with a maturity of less than one year "F1";"

- the first and second sentences of the sixth paragraph on page 1 of the RBSG Registration Document ("As defined by Fitch, an "AA" rating indicates that the Issuer has a very strong capacity for payment of its financial commitments on the relevant notes issued by it and that this capacity is not significantly vulnerable to foreseeable events. As defined by Fitch, an addition of a plus (+) or minus (-) sign denotes relative status within the major rating categories.") 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:

"As defined by Fitch, an "A" rating indicates that the Issuer has a strong capacity for payment of its financial commitments on the relevant notes issued by it. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings."

- the first full sentence of page 2 of the RBSG Registration Document ("As defined by Fitch, an addition of a plus (+) to an "F1" rating denotes an exceptionally strong credit feature.") shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted.

- the reference to Fitch's expected ratings of senior notes issued by RBS in the second sentence of the fourth paragraph on page 1 of the RBS Registration Document ("senior notes issued by RBS with a maturity of one year or more "AA-"; senior notes issued by RBS with a maturity of less than one year "F1+";") 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:

"senior notes issued by RBS with a maturity of one year or more "A"; senior notes issued by RBS with a maturity of less than one year "F1";"

- the first and second sentences of the sixth paragraph on page 1 of the RBS Registration Document ("As defined by Fitch, an "AA" rating indicates that the Issuer has a very strong capacity for payment of its financial commitments on the relevant notes issued by it and that this capacity is not significantly vulnerable to foreseeable events. As defined by Fitch, an addition of a plus (+) or minus (-) sign denotes relative status within the major rating categories.") 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:

“As defined by Fitch, an “A” rating indicates that the Issuer has a strong capacity for payment of its financial commitments on the relevant notes issued by it. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.”.

- the last sentence of the sixth paragraph on page 1 of the RBS Registration Document (“As defined by Fitch, an addition of a plus (+) to an “F1” rating denotes an exceptionally strong credit feature.”) shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted.
- the reference to Fitch’s definitions of ratings and other forms of opinion contained under (iii) of the second full paragraph on page 2 of the RBSG Registration Document and the RBS Registration Document (“(iii) the publication entitled “Definitions of Ratings and Other Forms of Opinion – January 2011” published by Fitch (available at www.fitchratings.com).”) shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and, in each case, replaced with the following:

“(iii) the publication entitled “Definitions of Ratings and Other Forms of Opinion – September 2011” published by Fitch (available at www.fitchratings.com).”.

Proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc

By virtue of this Supplement, the section in each of the RBSG Registration Document and RBS Registration Document entitled “Proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of Scotland plc”, in each case, on pages 26 and 27 thereof shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be amended by deleting the final sentence, which reads “Subject to regulatory approval and provided the Court makes an order sanctioning the Part VII Scheme, it is expected that the Part VII Scheme will become effective on 17 October 2011 or such other date as RBS and RBS N.V. may agree in writing.”, and inserting, in each case, the following paragraphs after the second paragraph of the section:

“On 23 September 2011, RBS and RBS N.V. announced that the Court had approved an order under Part VII of the UK Financial Services and Markets Act 2000 to sanction the Part VII Scheme.

The Part VII Scheme, as approved by the Court, will take effect at 00:01hrs on 17 October 2011.”.

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.