

Final Terms dated 28 February 2018

The Royal Bank of Scotland plc

Issue of €1,750,000,000 Floating Rate Notes due March 2020

under the £90,000,000,000

Euro Medium Term Note Programme

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 7 December 2017 and the supplemental Prospectuses dated 3 January 2018 and 23 February 2018 which together constitute a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the supplemental Prospectuses are available for viewing at

https://www.rns-pdf.londonstockexchange.com/rns/7523Y_-2017-12-7.pdf

https://www.rns-pdf.londonstockexchange.com/rns/9014A_-2018-1-3.pdf

https://www.rns-pdf.londonstockexchange.com/rns/8339F_-2018-2-23.pdf

1	Issuer:	The Royal Bank of Scotland plc
2	(i) Series Number:	3497
	(ii) Tranche Number:	1
	(iii) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:	Euro (€)
4	Aggregate Nominal Amount:	
	(i) Series:	€1,750,000,000
	(ii) Tranche:	€1,750,000,000
5	Issue Price:	100.366 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination

		above €199,000
	(ii) Calculation Amount:	€1,000
7	(i) Issue Date:	2 March 2018
	(ii) Interest Commencement Date:	2 March 2018
8	Maturity Date:	Interest Payment Date falling in or nearest to March 2020
9	Interest Basis:	3-month EURIBOR + 0.400 per cent. Floating Rate
10	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	Change of Interest Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	(i) Status of the Notes:	Ordinary Notes
	(ii) Date Board approval for issuance of Notes obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions:	Not Applicable
15	Reset Note Provisions:	Not Applicable
16	Floating Rate Note Provisions:	Applicable
	(i) Interest Period(s)/Specified Interest Payment Dates:	2 March, 2 June, 2 September and 2 December in each year commencing on 2 June 2018 up to (and including) 2 March 2020, in each case subject to adjustment in accordance with paragraph 16(ii) below
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Business Centre(s):	Not Applicable
	(iv) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent or, as the case may be, the CMU Lodging and Paying Agent):	Not Applicable
	(vi) Screen Rate Determination:	
	– Reference Rate:	3-month EURIBOR
	– Interest Determination Date(s):	Second day on which the TARGET 2 System is open prior to the start of each Interest Period
	– Relevant Screen Page:	Reuters Page EURIBOR01
	(vii) ISDA Determination:	Not Applicable
	(viii) Linear Interpolation:	Not Applicable
	(ix) Margin(s):	+ 0.400 per cent. per annum
	(x) Minimum Rate of Interest:	0.00 per cent.

(xi) Maximum Rate of Interest:	Not Applicable
(xii) Day Count Fraction:	Actual/360
17 Zero Coupon Note Provisions:	Not Applicable

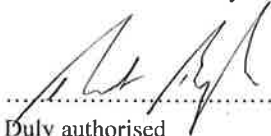
PROVISIONS RELATING TO REDEMPTION

18	Notice periods for Condition 5(b):	Minimum period: 5 days Maximum period: 30 days
19	Redemption for Capital Disqualification Event:	Not Applicable
20	Issuer Call:	Not Applicable
21	Investor Put:	Not Applicable
22	Final Redemption Amount:	€1,000 per Calculation Amount
23	Early Redemption Amount payable on redemption (a) for taxation reasons or (b) following the occurrence of a Capital Disqualification Event (in the case of Tier 2 Notes) or (c) following the occurrence of a Loss Absorption Disqualification Event (in the case of Ordinary Notes) or (d) on an event of default:	€1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	
	(a) Form:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event
	(a) NGN:	Yes
	(b) CMU Notes:	No
25	Additional Financial Centre(s):	London
26	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No
27	Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D

Signed on behalf of The Royal Bank of Scotland plc:

By: 
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from 2 March 2018
- (ii) Estimate of total expenses relating to admission to trading: £3,650

2 RATINGS

- Ratings: The Notes to be issued are expected to be rated:
Standard & Poor's Credit Market Services Europe Limited: BBB+
Moody's Investors Service Limited: A3
Fitch Ratings Limited: BBB+

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 HISTORIC INTEREST RATES

Details of historic EURIBOR can be obtained from Reuters.

5 OPERATIONAL INFORMATION

- (i) ISIN: XS1788516083
- (ii) Common Code: 178851608
- (iii) CMU Instrument Number: Not Applicable
- (iv) Clearing System: Euroclear Bank SA/NV and Clearstream Banking S.A.
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): Not Applicable
- (vi) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: Yes
Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

(viii) Prohibition of Sales to EEA Retail Investors: Not Applicable