

SUPPLEMENTARY OFFERING MEMORANDUM DATED AUGUST 31, 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 and August 16, 2011 (the "**August Supplemental Offering Memorandum**") (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 incorporate by reference into the Offering Memorandum and the Base Prospectus the unaudited financial information of RBS as at and for the six months ended June 30, 2011, which were published via the Regulatory News Service of the London Stock Exchange plc on August 26, 2011 (the "**RBS Interim Results 2011**").

This Supplement has also been prepared in order to incorporate by reference into the Offering Memorandum and the Base Prospectus the re-filed unaudited financial information of RBSG as at and for the six months ended June 30, 2011 on Form 6-K filed with the United States Securities and Exchange Commission on August 30, 2011 pursuant to the United States Securities Exchange Act of 1934, as amended (the "**RBSG Interim Results 2011**") (available online at http://www.sec.gov/Archives/edgar/data/844150/000095010311003592/dp25929_6k.htm) to

incorporate the addition of note 21 (Consolidating financial information) therein. Note 21 contains condensed consolidating financial information in accordance with Rule 3-10 of Regulation S-X for:

- RBSG on a stand-alone basis;
- RBS on a stand-alone basis;
- Non-guarantor subsidiaries of RBSG on a combined basis;
- Consolidation adjustments; and
- RBSG consolidated amounts.

As a consequence of the above changes, the purpose of this Supplement is also to disincorporate certain information incorporated by reference into the Offering Memorandum and the Base Prospectus as described below.

The purpose of this Supplement is also to amend the “Overview of Terms” section of the Offering Memorandum and the Base Prospectus and to amend the statement of no significant change and no material adverse change contained in the registration document of RBS dated August 5, 2011 (which was published via the Regulatory News Service of the London Stock Exchange plc on August 5, 2011 and which is incorporated by reference into the Offering Memorandum and the Base Prospectus pursuant to the August Supplemental Offering Memorandum) (the “**RBS Registration Document**”).

The hyperlinks included in this Supplement are included for information purposes only.

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

By virtue of this Supplement, the following documents, which have 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:

- (a) the RBS Interim Results 2011; and
- (b) the RBSG Interim Results 2011.

Disincorporation of Information Incorporated by Reference into the Offering Memorandum and Base Prospectus

By virtue of this Supplement, the unaudited financial information of RBSG as at and for the six months ended June 30, 2011 on Form 6-K filed with the SEC on August 12, 2011 pursuant to the United States Securities Exchange Act of 1934, as amended (available online at http://www.sec.gov/Archives/edgar/data/844150/000095010311003351/dp25751_6k.htm), which is incorporated by reference into the Offering Memorandum and the Base Prospectus pursuant to the August Supplemental Offering Memorandum shall no longer be incorporated in, and form part of, the Offering Memorandum and the Base Prospectus.

Overview of Terms

By virtue of this Supplement, the following paragraph shall be inserted after the seventh paragraph under the heading “The Issuers” on page 7 of the Offering Memorandum and the Base Prospectus to reflect updated financial information published in the RBS Interim Results 2011 as at 30 June 2011:

“The RBS Group had total assets of £1,299.7 billion and owners’ equity of £56.9 billion as at June 30, 2011. As at June 30, 2011, the RBS Group’s capital ratios were a total capital ratio of

14.0 per cent., a Core Tier 1 capital ratio of 8.7 per cent. and a Tier 1 capital ratio of 10.6 per cent.”

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 59 of the RBS 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 the following paragraphs shall be incorporated into the Offering Memorandum and the Base Prospectus:

“There has been no significant change in the financial position of the Issuer Group taken as a whole since 30 June 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 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).”

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>.

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 or the Base Prospectus or 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.