

SUPPLEMENTARY OFFERING MEMORANDUM DATED DECEMBER 1, 2009



The Royal Bank of Scotland Group plc

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

as Issuer and Guarantor

The Royal Bank of Scotland plc

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

as Issuer

**U.S.\$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 16, 2009, which comprises, except as set out therein in relation to HM Treasury Guaranteed Notes (as defined in the Offering Memorandum), a base prospectus, 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 U.S.\$35,000,000,000 Medium-Term Note Program (the “**Program**”) established by The Royal Bank of Scotland Group plc (“**RBSG**” or the “**Guarantor**”) and The Royal Bank of Scotland plc (“**RBS**”) (each, an “**Issuer**” and together, the “**Issuers**”). Terms defined in the Offering Memorandum 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 documents incorporated by reference therein. This Supplement should also be read and construed in conjunction with the supplements to the Offering Memorandum dated August 14, 2009, August 28, 2009, September 8, 2009 and November 19, 2009 which have been previously published and have been approved by the Financial Services Authority (the “**FSA**”) and filed with it and which form part of the Offering Memorandum.

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) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

It should be noted that the registration document dated November 19, 2009 of RBSG, which was published via the Regulatory News Service of the London Stock Exchange plc (the “**RNS**”) on November 19, 2009 (the “**RBSG Registration Document**”) and the registration document dated November 19, 2009 of RBS, which was published via the RNS on November 19, 2009 (the “**RBS Registration Document**”) are incorporated by reference into the Offering Memorandum by virtue of the supplement to the Offering Memorandum dated November 19, 2009.

Disincorporation of Information by Reference into the Offering Memorandum

Each of the risk factors from (and including) the risk factor headed “*RBSG and its United Kingdom bank subsidiaries may face the risk of full nationalisation or other resolution procedures under the*

Banking Act 2009” to (and including) the risk factor headed *“The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the Group’s ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements and accounting standards”* on pages 6 to 26 of the RBSG Registration Document and on pages 6 to 27 of the RBS Registration Document (together, the **“Disincorporated Risk Factors”**) shall, by virtue of this Supplement, no longer be incorporated into the Offering Memorandum. In place of the Disincorporated Risk Factors, the Incorporated Risk Factors (as defined below) shall, by virtue of this Supplement, be incorporated into the Offering Memorandum.

The first paragraph under the heading *“No Significant Change and No Material Adverse Change”* on page 50 of the RBSG Registration Document shall, by virtue of this Supplement, no longer be incorporated into the Offering Memorandum.

In the paragraph under the heading *“No Significant Change and No Material Adverse Change”* on page 50 of the RBS Registration Document, the words *“(a) no significant change in the trading or financial position of the Issuer and its subsidiaries taken as a whole and (b)”* shall, by virtue of this Supplement, be deemed to be deleted from that paragraph which is incorporated into the Offering Memorandum.

Each of the paragraphs under the headings *“Litigation”* and *“Investigations”* on pages 31 to 37 of the RBSG Registration Document and on pages 32 to 38 of the RBS Registration Document shall, by virtue of this Supplement, no longer be incorporated into the Offering Memorandum.

Incorporation of Information by Reference into the Offering Memorandum

On November 27, 2009 RBSG published a shareholder circular in connection with its proposed accession to the Asset Protection Scheme and B Share and Dividend Access Share issues, which has been (1) previously published and (2) approved by the Financial Services Authority or filed with it (the **“Shareholder Circular”**).

The following sections of the Shareholder Circular shall be deemed to be incorporated in, and form part of, the Offering Memorandum:

- (i) *“Financial Information”* on page 5;
- (ii) *“Expected Timetable of Principal Events”* on page 7;
- (iii) *“Part I – Letter From the Chairman of RBS”* on pages 10 to 20 (excluding *“4 Financial effects of the Transaction”* on page 16, *“5.1 Current trading”* on pages 16 and 17, *“5.2 Efficiency”* on page 17, *“5.3 Impairments”* on page 17 and *“5.4 Capital”* on page 17);
- (iv) *“Appendix 1 to the Letter From the Chairman of RBS – Risk Factors”* on pages 21 to 45 (the **“Incorporated Risk Factors”**) (excluding the third paragraph of the risk factor headed *“The Group’s business performance could be adversely affected if its capital is not managed effectively”* on page 29 and the risk factor headed *“The Group’s results have been and could be further adversely affected in the event of goodwill impairment”* on page 33);
- (v) *“Appendix 2 to the Letter From the Chairman of RBS – Principal Terms and Conditions of the APS”* on pages 46 to 75;
- (vi) *“Appendix 3 to the Letter From the Chairman of RBS – Principal Terms of Issue of the B Shares and the Dividend Access Share”* on pages 76 to 84;
- (vii) *“Appendix 4 to the Letter From the Chairman of RBS – Key Terms of the State Aid Restructuring Plan”* on pages 85 to 86;

- (viii) “Part II – Capital Resources and Liquidity Management” on pages 89 to 94 (excluding the first full paragraph on page 90, the fourth full paragraph on page 90, the table on page 92, the second paragraph on page 92, the fourth paragraph on page 92, the first paragraph on page 93, the table on page 93, the second paragraph on page 93 and the third paragraph on page 93);
- (ix) “Part IV – Additional Information – 7 Litigation” on pages 107 to 108;
- (x) “Part IV – Additional Information – 8 Investigations” on pages 108 to 111;
- (xi) “Part IV – Additional Information – 9 Material contracts” on pages 111 to 118;
- (xii) “Part IV – Additional Information – 11 Significant change statement” on page 118 (excluding the second paragraph on page 118);
- (xiii) “Part VI – Definitions” on pages 121 to 133;
- (xiv) “Annex 1 - Terms of Issue of the B Shares and the Dividend Access Share” on pages 134 to 170; and
- (xv) “Annex 3 - Scheme Principles” on pages 177 to 181.

A copy of any or all of the information which is incorporated by reference in the Offering Memorandum can be obtained from the London Stock Exchange plc's website at www.londonstockexchange.com/en-gb/pricesnews/marketnews/.

If the documents which are incorporated by reference in the Offering Memorandum by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Offering Memorandum 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 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 by virtue of this Supplement and any other statement in or incorporated by reference in the Offering Memorandum, the statements in or incorporated by reference in the Offering Memorandum by virtue of this Supplement will prevail.

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

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