

Final Terms dated 7 January 2013

as amended and restated on 11 February 2013

The Royal Bank of Scotland Group plc

Issue of USD10,000,000 Fixed to Floating Rate Notes due 9 January 2018

under the £90,000,000,000

Euro Medium Term Note Programme

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 24 February 2012 and the supplemental Prospectuses dated 30 March 2012, 11 May 2012, 26 June 2012, 10 July 2012, 7 August 2012, 6 September 2012, 26 October 2012 and 7 November 2012 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (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, respectively:

http://www.rns-pdf.londonstockexchange.com/rns/1260Y_-2012-2-24.pdf

http://www.rns-pdf.londonstockexchange.com/rns/4701A_-2012-3-30.pdf

http://www.rns-pdf.londonstockexchange.com/rns/1991D_-2012-5-11.pdf

http://www.rns-pdf.londonstockexchange.com/rns/1953G_-2012-6-26.pdf

http://www.rns-pdf.londonstockexchange.com/rns/3661H_-2012-7-10.pdf

http://www.rns-pdf.londonstockexchange.com/rns/4915J_-2012-8-7.pdf

http://www.rns-pdf.londonstockexchange.com/rns/7011L_-2012-9-6.pdf

http://www.rns-pdf.londonstockexchange.com/rns/6947P_-2012-10-26.pdf; and

http://www.rns-pdf.londonstockexchange.com/rns/5894Q_-2012-11-7.pdf.

1. Issuer: The Royal Bank of Scotland Group plc
2. (i) Series Number: 3478
- (ii) Tranche Number: 1

3. Specified Currency or Currencies: United States Dollars ("USD")
4. Aggregate Nominal Amount:
 - (i) Series: USD10,000,000
 - (ii) Tranche: USD10,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: USD200,000
 - (i) Calculation Amount: USD200,000
7. (i) Issue Date: 9 January 2013
 - (ii) Interest Commencement Date: 9 January 2013
8. Maturity Date: Interest Payment Date falling on or nearest to 9 January 2018
9. Interest Basis: 3.25 per cent. per annum Fixed Rate from and including the Issue Date to but excluding the Interest Payment Date falling on or nearest to 9 January 2015 and thereafter 3 month USD LIBOR + 1.40 per cent. per annum Floating Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: 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
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions
 - (i) Rate(s) of Interest: Applicable from and including the Issue Date to but excluding the Interest Payment Date falling on or nearest to 9 January 2015
3.25 per cent. per annum payable quarterly in arrear

- (ii) Interest Payment Date(s): 9 April 2013, 9 July 2013, 9 October 2013, 9 January 2014, 9 April 2014, 9 July 2014, 9 October 2014 and 9 January 2015 in each case subject to adjustment in accordance with the Modified Following Business Day Convention.
- (iii) Fixed Coupon Amount(s): Not Applicable
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: 30/360 (adjusted)
- (vi) Determination Dates: Not Applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
16. Floating Rate Note Provisions: Applicable from and including the Interest Payment Date falling on or nearest to 9 January 2015 to but excluding the Maturity Date.
- (i) Interest Period(s)/Specified Interest Payment Dates: Interest will be payable quarterly in arrear on 9 April, 9 July, 9 October and 9 January in each year, from and including 9 April 2015 and on but excluding the Maturity Date, in each case subject to adjustment in accordance with the Business Day Convention specified in item 16 (ii) below.
- (ii) Business Day Convention: Modified Following Business Day Convention
- (iii) Business Centre(s): London and New York
- (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 USD LIBOR
 - Interest Determination Date(s): The second London business day prior to the start of each Interest Period

	- Relevant Screen Page:	Reuters page LIBOR01 for 3 month USD LIBOR as at 11:00 a.m. (London time) on the Interest Determination Date
	(vi) ISDA Determination:	Not Applicable
	(viii) Margin(s):	1.40 per cent per annum
	(ix) Minimum Rate of Interest:	Not Applicable
	(x) Maximum Rate of Interest:	Not Applicable
	(xi) Day Count Fraction:	30/360, adjusted
	(xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
17.	Currency Linked Redemption Notes:	Not Applicable
18.	Commodity Linked Redemption Notes:	Not Applicable
19.	Government Bond Linked Redemption Notes:	Not Applicable
20.	Inflation Index Linked Redemption Notes:	Not Applicable
21.	Additional Disruption Events:	Not Applicable
22.	Early Redemption Amount:	
	Early Redemption Amount(s) payable on redemption for (a) taxation reasons or following the occurrence of a Capital Disqualification Event (in the case of Dated Subordinated Notes, Undated Tier 2 Notes or Tier 1 Notes only) or (b) an event of default or (c) in the case of Currency Linked Notes, following a Market Disruption Event in accordance with Condition 6(b)(ii) or (d) in the case of Index Linked Notes, following an Index Adjustment Event in accordance with	USD200,000 per Calculation Amount

Condition 7(b)(ii)(b) or (e) in the case of Equity Linked Notes, following certain corporate events in accordance with Condition 8(b)(ii)(B) or (f) in the case of Commodity Linked Notes, following a Market Disruption Event in accordance with Condition 9(b)(ii) or (g) in the case of Government Bond Linked Notes, following a Market Disruption Event in accordance with Condition 10(b)(ii) or (h) in the case of Inflation Index Linked Notes, following discontinuance of the relevant Inflation Index in accordance with Condition 11(b)(vi) or (i) following an Additional Disruption Event (if applicable) in accordance with Condition 12(b)(ii) or (j) other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:
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|----------------------|---|
| (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 |
| (b) New Global Note: | Yes |
| (c) CMU Note: | No |
24. Special provisions relating to Payment Dates: Not Applicable
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
26. Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to Not Applicable

be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

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|-----|---|----------------|
| 27. | Details relating to Instalment Notes amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 28. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 29. | Consolidation provisions: | Not Applicable |
| 30. | Other final terms or special conditions: | Not Applicable |

DISTRIBUTION

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| 31. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| | (ii) Date of Syndication Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 32. | If non-syndicated, name and address of Dealer: | The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR |
| 33. | Additional selling restrictions: | Not Applicable |
| 34. | Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D |
| 35. | Non-exempt Offer: | Not Applicable |

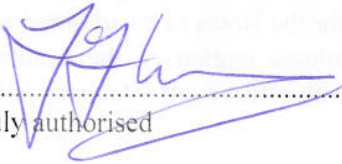
PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the London Stock Exchange of the Notes described herein pursuant to the £90,000,000,000 Euro Medium Term Note Programme of The Royal Bank of Scotland Group plc and The Royal Bank of Scotland plc.

RESPONSIBILITY

The Royal Bank of Scotland Group plc (as Issuer) accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland Group plc (as Issuer):

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 regulated market of the London Stock Exchange with effect from 9 January 2013
- (ii) Estimate of total expenses relating to admission to trading: GBP 300

2. RATINGS

Ratings: The following ratings reflect ratings attached to Notes of this type issued under the Programme generally:

Standard & Poor's: A-
Moody's Investors Service Limited: Baa1
Fitch Ratings Limited: A

Each credit rating agency 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.

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. YIELD

Indication of yield: Not Applicable

5. OPERATIONAL INFORMATION

- (i) ISIN: XS0870025862
- (ii) Common Code: 087002586
- (iii) CMU Instrument Number: Not Applicable
- (iv) Clearing System: Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme

- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the Central Moneymarkets Unit Service and the relevant identification number(s): Not Applicable
- (vi) Delivery: Delivery free of payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (viii) 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 satisfaction of the Eurosystem eligibility criteria.

