



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)

£90,000,000,000

Euro Medium Term Note Programme

This Supplement (the “**Supplement**”) to the Prospectus (the “**Prospectus**”) dated 7 June 2011, which comprises a 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 £90,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by The Royal Bank of Scotland Group plc (“**RBSG**”) and The Royal Bank of Scotland plc (“**RBS**”) (each, an “**Issuer**” and together, the “**Issuers**”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and the documents incorporated by reference therein. This Supplement should also be read and construed in conjunction with the supplementary prospectuses dated 14 June 2011, 5 August 2011 (the “**5 August Supplementary Prospectus**”), 30 August 2011 (the “**30 August Supplementary Prospectus**”), 15 September 2011 (the “**15 September Supplementary Prospectus**”), 10 October 2011 and 14 October 2011 (together, the “**Previous Supplements**”) and the documents incorporated by reference therein 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 Prospectus.

Each Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer (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:

- (a) incorporate by reference into the Prospectus the RBSG Interim Management Statement (as defined below);
- (b) for the purposes of being incorporated by reference into the Prospectus, amend: (i) the statements of no significant change and no material adverse change contained in the registration document of RBSG dated 5 August 2011 (which was published via the Regulatory News Service of the London Stock Exchange plc (the “**RNS**”) on 5 August 2011) (the “**RBSG Registration Document**”) (ii) the statement of no material adverse change deemed to be contained in the registration document of RBS dated 5 August 2011 (which was published via

the RNS on 5 August 2011) (the “**RBS Registration Document**”) by virtue of the 30 August Supplementary Prospectus; (iii) certain information relating to litigation proceedings initiated on 2 September 2011 by the US Federal Housing Finance Agency, contained in the RBSG Registration Document and in the RBS Registration Document; and (iv) the statement regarding the status of Standard & Poor’s Credit Market Services Europe Limited, Fitch Ratings Limited and Moody’s Investors Service Limited under Regulation (EC) No 1060/2009 contained in the RBSG Registration Document and in the RBS Registration Document; and

(c) delete the paragraphs under the heading “Ratings” on page 246 of the Prospectus.

The RBSG Registration Document and the RBS Registration Document are each incorporated by reference into the Prospectus pursuant to the 5 August Supplementary Prospectus.

Incorporation of Information by Reference into the Prospectus

By virtue of this Supplement, the unaudited “Interim Management Statement Q3 2011” of RBSG (the “**RBSG Interim Management Statement**”) for the third quarter ended 30 September 2011, which was published via the Regulatory News Service of the London Stock Exchange plc on 4 November 2011 and which has been (1) previously published and (2) approved by the FSA or filed with it, shall be deemed to be incorporated in, and form part of, the Prospectus.

RBSG - 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 61 of the RBSG Registration Document shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted and replaced with the following paragraphs:

“There has been no significant change in the trading or financial position of the Group taken as a whole since 30 September 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 in the RBSG Interim Results and the RBSG Interim Management Statement, relating to (i) Payment Protection Insurance (see pages 109 and 110 of the RBSG Interim Results); (ii) the Group’s exposure to Greek sovereign debt (see page 16 of the RBSG Interim Management Statement), in respect of both of which the Group has made provisions for therein; and (iii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 43-45 of the RBSG Interim Management Statement), there has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2010 (the last date to which the latest audited published financial information of the Group was prepared).”

RBS - No Material Adverse Change

By virtue of this Supplement, the following paragraph under the heading “*No Significant Change and No Material Adverse Change*” deemed to be contained on page 59 of the RBS Registration Document for the purposes of inclusion in the Prospectus:

“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).”

which is incorporated by reference into the Prospectus by virtue of the 30 August Supplementary Prospectus shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted and replaced with the following paragraph:

“Save in relation to (i) matters referred to on page 22 of the RBS Interim Results 2011, relating to Payment Protection Insurance, in respect of which the Issuer Group has made provisions for therein; and (ii) the effect on revenues of Global Banking and Markets of the current subdued operating environment (see pages 43-45 of the RBSG Interim Management Statement), 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).”

Litigation

By virtue of this Supplement, the section entitled “*Other securitisation and securities related litigation in the United States*” on pages 34 and 35 of the RBSG Registration Document and of the RBS Registration Document, in each case, shall, for the purposes of being incorporated by reference into the Prospectus be deemed to be amended as follows:

- (i) the wording incorporated after the third paragraph of that section on page 35 which is incorporated by reference into the Prospectus pursuant to the 15 September Supplementary Prospectus shall no longer be incorporated in, and form part of, the Prospectus;
- (ii) the sixth word on the first line of the final paragraph of that section on page 35, “the”, shall be deemed to be deleted and replaced with “these”; and
- (iii) the following paragraphs shall be incorporated after the final paragraph of that section on page 35:

“In addition to the above, on 2 September 2011, the US Federal Housing Finance Agency (“FHFA”) as conservator for the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Company (“Freddie Mac”) filed 17 lawsuits in the United States against a number of international banks and individual defendants, including RBSG, certain other Group companies and five individual officers and directors of the Group’s subsidiaries.

The lawsuits involve allegations that certain disclosures made in connection with the relevant offering or underwriting of securities contained materially false or misleading statements and/or omissions regarding the underwriting standards pursuant to which the mortgage loans underlying the securities were issued. Group entities are named as defendants in their capacities as issuers and underwriters of securities, not as originators of any underlying mortgage loans. The plaintiffs’ claims against the Group are currently unquantified.

The FHFA primary lawsuit against Group entities relates to approximately US\$32 billion of AAA rated RMBS issuance during the period 2005-2008 pursuant to which Group entities acted as sponsor/depositor and/or lead underwriter. The aggregate principal amount has been reduced to approximately US\$14 billion outstanding by repayments and recoveries of approximately US\$18 billion and losses to date of approximately US\$0.2 billion.

FHFA has also filed five lawsuits against each of Ally Financial Group, Countrywide Financial Corporation, JP Morgan, Morgan Stanley and Nomura in relation to some of the offerings where a Group entity acted as underwriter and is named amongst the defendants.

Group entities believe they have a variety of substantial and credible legal and factual defences available to all of the FHFA lawsuits and the Group will defend each of the matters vigorously. Additionally, Group entities potentially have recourse to indemnities from the relevant mortgage originators or sponsors/depositors although the amount and extent of any recovery is uncertain and subject to a number of factors, including the ongoing creditworthiness of the indemnifying party. Given the early stages of these matters, the Group cannot predict the outcome of these claims and is unable reliably to estimate the liability, if any, that may arise or its effect on the Group's consolidated net assets, operating results or cash flows in any particular period."

Credit Rating Agency Regulation

By virtue of this Supplement, the penultimate paragraph of the section entitled "Introduction" on page 2 of the RBSG Registration Document and of the RBS Registration Document, in each case, shall, for the purposes of being incorporated by reference into the Prospectus, be deemed to be deleted and replaced with the following:

"The credit ratings referred to and included in this Registration Document have been issued by Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investors Service Limited, each of which 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."

Ratings

By virtue of this Supplement, the paragraphs under the heading "Ratings" on page 246 of the Prospectus shall be deemed to be deleted from the Prospectus.

A copy of any or all of the information which is incorporated by reference in the Prospectus can be obtained from the website of RBSG at www.rbs.com and from the London Stock Exchange plc's website at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html>.

If the document which is incorporated by reference in the 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 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 Prospectus by virtue of this Supplement.

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Prospectus by virtue of this Supplement and any other statement in or incorporated by reference in the Prospectus or in the Previous Supplements, the statements in or incorporated by reference in the 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 Prospectus by virtue of the Previous Supplements or this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

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