

SUPPLEMENTARY OFFERING MEMORANDUM DATED OCTOBER 10, 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 (this "**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, August 16, 2011 (the "**August 16 Supplemental Offering Memorandum**"), August 31, 2011, September 9, 2011 and September 21, 2011 (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 update certain information contained in the Registration Documents (which are incorporated by reference in the Offering Memorandum and the Base Prospectus by virtue of the August 16 Supplemental Offering Memorandum) relating to the expected ratings by Moody's Investors Service Limited ("**Moody's**") of senior notes issued by RBSG and RBS with a maturity of one year or more. This update is necessary following an announcement by Moody's on 7 October 2011 of revisions to those ratings and those of certain other UK financial institutions due to Moody's perception of a reduction of implied Government support for these institutions.

Ratings Information

By virtue of this Supplement:

- the reference to Moody's expected ratings of senior notes issued by RBSG in the last sentence of the fourth paragraph on page 1 of the RBSG Registration Document ("senior notes issued by RBSG with a maturity of one year or more "A1"; senior notes issued by RBSG with a maturity of less than one year "P-1";") shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following:

"senior notes issued by RBSG with a maturity of one year or more "A3"; senior notes issued by RBSG with a maturity of less than one year "P-2";"

- the second and third sentences of the first full paragraph on page 2 of the RBSG Registration Document ("As defined by Moody's, the addition of a "1" indicates that the obligation ranks in the higher end of its generic rating category. As defined by Moody's, a "P-1" rating means that the Issuer has a superior ability to repay its short-term debt obligations on the relevant notes issued by it.") shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following:

"As defined by Moody's, the addition of a "3" indicates that the obligation ranks in the lower end of its generic rating category. As defined by Moody's, a "P-2" rating means that the Issuer has a strong ability to repay its short-term debt obligations on the relevant notes issued by it."

- the reference to Moody's expected rating of senior notes issued by RBS with a maturity of one year or more in the last sentence of the fourth paragraph on page 1 of the RBS Registration Document ("senior notes issued by RBS with a maturity of one year or more "Aa3";") shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following:

"senior notes issued by RBS with a maturity of one year or more "A2";"

- the first and second sentences of the first paragraph on page 2 of the RBS Registration Document ("As defined by Moody's, an "Aa" rating means the capacity of the Issuer to meet its obligations on the relevant notes issued by it is considered high quality subject to very low credit risk. As defined by Moody's, the addition of a "3" indicates that the obligation ranks in the lower end of its generic rating category.") shall, for the purposes of being incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and replaced with the following:

"As defined by Moody's, an "A" rating means the capacity of the Issuer to meet its obligations on the relevant notes issued by it is considered to be upper-medium grade subject to low credit risk. As defined by Moody's, the addition of a "2" indicates that the obligation ranks mid-range in its generic rating category."

- the reference to Moody's rating symbols and definitions contained under (ii) of the second full paragraph on page 2 of the RBSG Registration Document and the RBS Registration Document ("(ii) the publication entitled "Rating Symbols and Definitions – May 2011" published by Moody's (available at www.moody.com)") shall, for the purposes of being

incorporated by reference into the Offering Memorandum and the Base Prospectus, be deemed to be deleted and, in each case, replaced with the following:

“(ii) the publication entitled “Rating Symbols and Definitions – July 2011” published by Moody’s (available at www.moodys.com)”.

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>.

The hyperlink included in this Supplement is included for information purposes only.

To the extent that there is any inconsistency between any statement in 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 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, 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.