

## SUPPLEMENTARY OFFERING MEMORANDUM DATED JUNE 15, 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)*

**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 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, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**"). This Supplement is prepared in connection with the U.S.\$35,000,000,000 Medium-Term Note Program established by The Royal Bank of Scotland Group plc (in its capacity as guarantor, the "**Guarantor**") and The Royal Bank of Scotland plc (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.

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 provide prospective investors in Notes issued under the Program with the disclosure set out under the heading "*Large Exposure Regime*" below in relation to changes to the Financial Services Authority's large exposure regime which will be effective from July 1, 2011.

### ***Large Exposure Regime***

On July 1, 2011, The Royal Bank of Scotland plc will become subject to changes to the Financial Services Authority's large exposure regime. Under the changes to the large exposure regime, any company which is less than 100% owned by The Royal Bank of Scotland Group plc will be classified as a Connected Counterparty. The Royal Bank of Scotland N.V., which is currently approximately 98% indirectly owned by The Royal Bank of Scotland Group plc, will therefore be classified as a Connected Counterparty, which will result in a breach by The Royal Bank of Scotland plc of the amended rules under the large exposure regime described above.

On April 19, 2011, The Royal Bank of Scotland Group plc announced the proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. to The Royal Bank of

Scotland plc which, subject to certain conditions, are expected to be implemented on a phased basis over a period ending December 31, 2013. Those proposed transfers will also form the basis of a remediation plan which has been agreed with the Financial Services Authority to enable The Royal Bank of Scotland plc over time to become compliant with the changes to the large exposures regime.

The Issuers do not expect this to have a material adverse effect on the Group.

To the extent that there is any inconsistency between any statement 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 the Offering Memorandum by virtue of this Supplement will prevail.

Save as disclosed in 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.