SUPPLEMENT DATED 15 NOVEMBER 2013 TO THE PROGRAMME DOCUMENT DATED 20 MARCH 2013 RELATING TO THE STRUCTURED NOTE PROGRAMME

The Royal Bank of Scotland plc

(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, with registered number SC090312)

This supplement (this "**Supplement**") to the Programme Document dated 20 March 2013 (the "**Programme Document**") comprises a supplementary listing particulars for the purposes of the Listing Rules of the Global Exchange Market and has been approved by the Irish Stock Exchange (the "**ISE**"). Terms defined in the Programme Document have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Document, issued by the Royal Bank of Scotland plc (the "**Issuer**" and "**RBS**").

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has 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.

Purpose of this Supplement

The purpose of this Supplement is to:

(a) incorporate by reference into the Programme Document:

- (i) the RBSG Interim Management Statement (as defined below); and
- (ii) the 7 November RMBS RNS (as defined below); and

(b) update:

- (i) the expected ratings by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") of Notes issued by RBS. This update is necessary following an announcement by Standard & Poor's on 7 November 2013 of revisions to those ratings to reflect the fact that a transitional notch, called a 'positive transition notch', that was built into the Group's ratings in late 2011 in recognition of the progress the Group had made in its restructuring, has now been removed.

  The Group's recent announcement to create an internal bad bank, coupled with Standard & Poor's concerns on execution risk, litigation risk and the potential for conduct related fines has resulted in the removal of this transition notch;

- (ii) risks relating to the Group and the Issuer Group; and

(iii) risks relating to the Notes.

Incorporation of Information by Reference

By virtue of this Supplement:

(i) the unaudited Interim Management Statement Q3 2013 of the Royal Bank of Scotland Group plc (the "**RBSG Interim Management Statement**") which was published via the Regulatory News Service of the London Stock Exchange plc (the "**RNS**") on 1 November 2013; and

(ii) the press release entitled "RBS reaches settlement with SEC on RMBS securitisation" which was published via the RNS on 7 November 2013 (the "**7 November RMBS RNS**"),

shall be incorporated in, and form part of, the Programme Document.

Ratings Information

Standard & Poor's is expected to rate Notes issued by RBS as follows:

	Previous	Current
Senior Notes – Maturity of one year or more	A	A-
Senior Notes – Maturity of less than one year	A-1	A-2

As defined by Standard & Poor's, an "A-" rating means that the ability of the Issuer to meet its financial commitment on the relevant notes issued by it is strong and an "A-2" rating means that the ability of the Issuer to meet its financial commitment on the relevant notes issued by it is satisfactory. As defined by Standard & Poor's, an addition of a plus (+) or minus (-) sign shows relative standing within the major rating categories.

The rating definitions set out above constitute third-party information and were obtained in the English language from the publication entitled "Standard & Poor's Ratings Definitions — 24 October 2013" published by Standard & Poor's (available at www.standardandpoors.com).

The information found at the website referred to in the previous sentence does not form part of and is not incorporated by reference into this Supplement. The rating definitions set out above have been accurately reproduced from the source identified above and, so far as RBS is aware and is able to ascertain from information published by Standard & Poor's referred to above, no facts have been omitted which would render the ratings definitions set out above inaccurate or misleading.

Update of Risk Factors relating to the Group and the Issuer Group

The Group and the Issuer Group are subject to the following updated risk factor relating to the Group's ability to implement its strategic plan and achieve its capital goals as a result of recent developments:

The Group's ability to implement its new strategic plan and achieve its capital goals depends on the success of the Group's refocus on its core strengths and its plans to further strengthen its balance sheet and capital position.

Since the global economic and financial crisis that began in 2008 and the changed global economic outlook, the Group has been engaged in a financial and core business restructuring which focused on achieving appropriate risk-adjusted returns under these changed circumstances, reducing reliance on wholesale funding and lowering exposure to capital-intensive businesses. A key part of the restructuring programme announced in February 2009 was to run-down and sell the Group's non-core assets and businesses and the continued review of the Group's portfolio to identify further disposals of certain non-core assets and businesses. Assets identified for this purpose and allocated to the Group's Non-Core division totalled £258 billion, excluding derivatives, at 31 December 2008. By 30 September 2013, this total had reduced to £37.3 billion (31 December 2012 - £57.4 billion), excluding derivatives, as further progress was made in business disposals and portfolio sales during the course of 2013. This balance sheet reduction programme continues alongside the disposals under the State Aid restructuring plan approved by the European Commission. During 2012 the Group implemented changes to its wholesale banking operations, including the reorganisation of its wholesale businesses and the exit and downsizing of selected existing activities (including cash equities, corporate banking, equity capital markets, and mergers and acquisitions).

During Q3 2013, the Group has worked with HM Treasury as part of its assessment of the merits of creating an external "bad bank" to hold certain assets of the Group. Although the review concluded that the establishment of an external "bad bank" was not in the best interests of all stakeholders, the Group has committed to take a series of actions to further de-risk its business and strengthen its capital position. These actions include:

- the creation of an internal "bad bank" to manage the run-down of problem assets projected to be £38 billion by the end of 2013, with the goal of removing 55-70% of these assets over the next two years with a clear aspiration to remove all these assets from the balance sheet in three years; and
- lifting capital targets including by:
- accelerating the divestment of Citizens, the Group's US banking subsidiary, with a partial initial public offering now planned for 2014, and full divestment of the business intended by the end of 2016;
- intensifying management actions to reduce risk weighted assets.

In addition to the actions above, the Group has also announced that it is undertaking a full review of the Group's Customer-facing businesses, IT and operations and its organisational and decision-making structures to develop detailed plans on how the Group can realign its cost base with a target of reducing its cost:income percentage into the mid 50s, down from 65 per cent. currently. The outcome of this review will be announced at the time of the Group's 2013 year-end results in February 2014. The outcome of such review could result in additional actions to those identified above, including asset sales, restructuring of businesses and other similar actions.

Because the ability to dispose of businesses and assets and the price achieved for such disposals will be dependent on prevailing economic and market conditions, which remain volatile, there is no assurance that the Group will be able to sell or run-down (as applicable) the businesses it has planned to sell or exit or asset portfolios it is seeking to sell either on favourable economic terms to the Group or at all. Material tax or other contingent liabilities could arise on the disposal or run-down of assets or businesses and there is no assurance that any conditions precedent agreed will be satisfied, or consents and approvals required will be obtained in a timely manner, or at all. There is consequently a risk that the Group may fail to complete such disposals within time frames envisaged by the Group.

The Group may be exposed to deteriorations in businesses or portfolios being sold between the announcement of the disposal and its completion, which period may be lengthy and may span many months. In addition, the Group may be exposed to certain risks, including risks arising out of ongoing liabilities and obligations, breaches of covenants, representations and warranties, indemnity claims, transitional services arrangements and redundancy or other transaction related costs.

The occurrence of any of the risks described above could negatively affect the Group's ability to implement its new strategic plan and achieve its capital targets and could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows.

Risk Factors relating to the Notes

The Issuer believes that the following additional risk factor may be material for the purpose of assessing the market risks associated with Notes issued under the Programme.

Bail-in option in the Banking Act 2009

On 21 October 2013, the U.K. Government published amendments to the Financial Services (Banking Reform) Bill, amended further on 24 October 2013 (the "**Banking Reform Bill**"), which include amendments to the Banking Act 2009 to insert a bail-in option among the powers of the U.K. resolution authority.

The bail-in option will be introduced as an additional power available to the Bank of England, to enable it to recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors in a manner that seeks to respect the hierarchy of claims in liquidation. The bail-in option includes the power to cancel a liability, to modify the form of a liability(including the power to convert a liability from one form to another) or to provide that a contract under which the institution has a liability is to have effect as if a specified right had been exercised under it, each for the purposes of reducing, deferring or cancelling the liabilities of the bank under resolution, as well as to transfer a liability. The conditions for use of the bail-in option are, in summary, that (i) the regulator determines that the bank is failing or likely to fail, (ii) it is not reasonably likely that any other action can be taken to avoid the bank's failure and (iii) the U.K. resolution authority determines that the exercise of such power is necessary having regard to the public interest.

It is expected that the Banking Reform Bill will be passed by the U.K. Parliament in early 2014 and, thereafter, the U.K. Treasury will stipulate the date on which the majority of the provisions will enter into force.

The Banking Reform Bill is still in draft form and may be subject to change. In announcing the introduction of the bail-in option, the U.K. Government expressed that it was confident that such powers could be introduced without the risk of having to adapt to a radically different regime when the Recovery and Resolution Directive (the "**RRD**") is implemented, given the legislative progress of the RRD. However, the RRD is still in draft form and changes may be made to it, which may require amendments to the bail-in option proposed to be inserted in the Banking Act 2009.

Although the terms and conditions of the Notes do not contain a provision which requires them to be converted into equity or written off, the Bank of England could use the powers described above in such a way as to result in the Notes absorbing losses in the manner described herein. The determination that all or part of the principal amount of the Notes will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Because of this inherent uncertainty, it will be difficult to predict when, if at all, a principal write off or conversion to equity will occur. Accordingly, trading behaviour in respect of the Notes is not necessarily expected to follow the trading behaviour associated with other types of securities. The ratings assigned to the Notes may also be affected. Potential investors in the Notes should consider the risk that a holder may lose all of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

A copy of any or all of the information which is incorporated by reference in the Programme Document can be obtained from the website of the Issuer at http://www.investors.rbs.com/company_announcements.

If the document which is incorporated by reference in the Programme Document 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 Programme Document except where such information or other documents are specifically incorporated by reference in, or attached to, the Programme Document by virtue of this Supplement.

Save as disclosed in this Supplement, there has been: (1) no significant change affecting any matter contained in the Programme Document (as supplemented at the date hereof) since the publication of the Programme Document; or (2) no significant new matter which has arisen, the inclusion of information in respect of which would have been so required had it arisen at the time the Programme Document was prepared.